SCHEDULE 2.1

SERVICES DESCRIPTION

Contents

1 DEFINITIONS

1.1 In this Schedule 2.1, capitalised words and expressions shall have the meaning set out in Schedule 1 (Definitions) unless otherwise defined in Annex 1.

2 INTRODUCTION

This Schedule sets out the intended scope of the Services to be provided by the Supplier and provides a description of what each Service entails. The definitions used in Schedule 1 (Definitions) shall also apply unless the context requires otherwise, and in addition the words and phrases in Annex 1 shall have the meanings set out in Annex 1. In the event of a conflict between the definitions in Annex 1 to this Schedule 2.1 (Services Description) and in the definitions in Schedule 1 (Definitions), the definitions in Annex 1 to this Schedule 2.1 will prevail for the purpose of this Schedule 2.1 only.

The Authority is the client in this relationship. For the purpose of managing the Agreement and supporting various aspects of the Services the Authority will provide a management team referred to as the Authority Central Team.

The ESR System is the workforce solution for the NHS in England and Wales incorporating HR & Payroll, "Learning and Talent Management", and workforce reporting. In addition, the ESR System provides access to the Total Reward Statement for all current and previous members of the NHS Pension scheme. The Services are the associated supply of systems, support and auxiliary services that enables the ESR System to be effectively utilised. The underlying business functions and processes supported by the Services are performed by staff within the User Organisations or by third party outsourced providers. The ESR System is required to pay ESR Users reliably, consistently, accurately and on time. There is a critical requirement that this must continue above all other considerations.

There are three distinct Components to the Services described in this Schedule.

	Title	Component Summary
Component 1	Transition	Lift and Shift"
Component 2	Operation	Ongoing operation of the Solution
Component 3	Enhance	A rolling programme of Enhancements that deliver a step change in the benefits delivered by the ESR System

2.1 ESR Service Objectives

The investment objectives for the Services establish the principles for the Services and underpin the key Service objectives which are as follows:

1 – deliver ongoing service

2 – maintain organisational usage

3 – increase Employee uptake of Self-Service

4 – enhance customer value.

These Service objectives will underpin the contract governance and operation and can be captured in the following high-level requirements:

- To enable reliable and robust Payment of ESR Users in accordance with Schedule 2.2 (Performance Levels);
- To transition safely to the Supplier and to continue to provide the performance and platform on which further Enhancements can be delivered;
- To take opportunities to improve the ESR User experience and productivity, to include enabling the system to keep pace with technology developments and user expectations; and
- To develop a route map to create technical flexibility at the contract exit.

More detailed objectives and requirements are identified in the relevant sections in this document.

In providing the Services to the Authority, the Supplier must ensure that all staff expenses, including travel and subsistence that may be incurred in the delivery of Transition, Operate and Enhance are included in the Financial Model provided. No additional expenses will be allowed during the delivery of Transition, Operate and Enhance. Expenses associated with further change, under the Change Control Procedure will paid, if required in accordance with this Agreement.

2.2 Transition

The Component 1 - Transition will deliver a relocation of the ESR System and Service, largely as-is, from the Former Supplier's management and facilities to the Supplier. This includes all installation, recruitment, training, set–up, on boarding etc. such that Component 2 - Operational takes on a steady-state service.

This transition is expected to be a transfer to existing established facilities and infrastructure. There may be activities to commission the Services in new environments as part of this Service, but this Service does not include, and will not fund, activities to develop new environments themselves.

The contract with the Former Supplier was contracted to provide the Legacy ESR Services until 31st August 2014. Within that contract there is an obligation requiring the Former Supplier to maintain an Exit Plan to effect a transition of the Services to the Supplier. There are also specific contractual obligations upon the Former Supplier that are defined within its Exit Plan to undertake specific activities. The Former Supplier's Exit Plan includes planning assumptions that will require ratification/change when the Supplier is appointed.

An 'Equivalent Service' extension is in place with an expiry date of 30th November 2015. The targeted key dates for the Transition Service are:

Service Commencement Date	16th January 2015
Operational Service Commencement Date	31st August 2015
Legacy ESR Services Expiry Date	30th November 2015

The Operational Service Commencement Date will be planned for 31st August 2015 with a contractual contingency with the Former Supplier to provide the Services until 30th November 2015. There will be a period of stabilisation jointly with the Component 1 - Transition until the CPP Milestone for Component 1 - Transition has been achieved. Then the Component 2 - Operation will wholly manage and support the Services ongoing. Acceptance will be in line with Schedule 6.2 (Testing Procedure).

It is anticipated the technical activities around Cutover will be in discrete migration steps. The Operational Service Commencement Date is the date at which the Supplier takes responsibility for the Solution and Operation Services.

The Transition Services assume some key items (e.g. Data Centre locations) are identified prior to the Service Commencement Date. The period between the planned Operational Service Commencement Date and the Legacy ESR Service expiry date provides a contingency window.

The Supplier will be responsible for delivering the Transition Services in accordance with the Take On Plan under the governance of, and with the support of, the Authority together with the support of the Former Supplier.

Whilst Component 1 - Transition is characterised as a Lift and Shift, discovery will detail elements of the ESR System currently providing the service that are not available/suitable for Component 1 -Transition. Component 1- Transition includes the provisioning of alternative solutions and any remedial activity that is deemed necessary to enable the Component 2 - Operation to supply the full service from the Operational Service Commencement Date.

The Transition Services will comprise the following main undertakings:

- Data Centre move;
- Staff Transfer (Employment Regulations);
- Identify and organise the transfer of Legacy Assets/IPRs;
- Transfer of Operations; and
- Cutover management.

The Authority's overriding requirement for Component 1 -Transition is for the Supplier to transfer operations of the Services as-is from the Former Supplier maintaining continuity of service, to schedule and with minimal risk.

As part of Component 1 - Transition, there will obviously be changes to the delivery of elements of the Services that surround the ESR System, as the Supplier introduces their own arrangements (e.g. Help Desk). The Authority recognises that these changes have some level of risk, however the Supplier should seek to minimise these.

2.3 Operation
The ongoing Component 2 - Operation will be managed and delivered by the Supplier on behalf of the Authority throughout England and Wales. The Operation Service Specification is intended to provide the ongoing operation of management processes and infrastructure required to deliver, support, and maintain the Services, from the point of Operational Services Commencement Date.

The Supplier's management team will receive strategic and operational direction from a Performance Management Board, (Ref Contract Schedule 8.1 Governance) jointly constituted with the Authority. The Performance Management Board will be accountable to the Programme Board as per Schedule 8.1 (Governance).

Service based activities will be referenced as being delivered by either the Supplier or the Authority depending on where the activity is best allocated.

Component 2 - Operation will be required to accommodate a programme of changes delivered by Component 3 - Enhance into release planning, regression testing, and performance testing and also deliver the associated communications to the User Organisations and the ESR User community. Component 2 - Operation will manage and support the new/changed functionality of the ESR System ongoing.

2.4   Enhance

Component 3 - Enhance will deliver a number of strategic developments to the ESR System. The Component 3 - Enhance identifies a programme of activities ("Projects") that will provide a series of Enhancements of the Services, thereby providing enhanced functionality to the User Organisations (in line with a strategic requirements capture activity).

Component3 - Enhance will co-exist with Component 2 - Operation for the duration of the term.

The Supplier will be responsible for delivering the Component 3 - Enhance under the governance of, and with the support of, the Authority.

2.4.1 Enhance Objectives

Whilst the ESR System is operating effectively, there is a wide range of potential areas where additional benefits could be delivered. This will include work to:

- Drive uptake of existing functionality;
- Improve existing functionality to improve user experience and reduce user effort;
- Develop new functionality that complements the existing functionality; and
- Develop assets that improve the efficiency and operation of the Services themselves.

2.4.2 Enhance Outline

A common thread across the objectives is that they deliver additional benefits, over and above those already delivered by the ESR System.

These opportunities for improvement could be identified through a number of mechanisms:

- Engagement with ESR Users (via the governance processes);
- From the combined expertise of the Authority Central Team and the Supplier; or
- From innovations occurring more broadly in the market.

Several Enhancements have already been captured and prioritised and the higher priority items listed below. Component 3 - Enhance is required to take these as the starting point and manage an ongoing portfolio of Enhancements. Component 3 - Enhance also includes an annually funded Change Pipeline for relatively less complex changes.

The requirement of this Component 3 – Enhance is for the Supplier to:

- Together with the Authority Central Team, be responsible for identifying potential solutions to the requirements and further opportunities for improvement;
- Manage the process of consolidating these solutions and/or opportunities into Projects;
- Deliver the agreed Projects (from concept through implementation and ongoing support); and
- Manage the user adoption process (to ensure that opportunities deliver the intended benefits including increased solution deployment).

The ESR New Requirements identifies a set of Enhancements that were generated following user requirement consultation. These have gone through internal review and sign off processes.

As part of the review, initial work has been carried out to prioritise, cost, understand the benefits of these requirements and package them into tranches of work.   Each of these tranches of work is material in nature, and is estimated at 6-12 months, covering a wide range of Component 3 -

Enhance. If this duration can be reduced, the Supplier should set out proposals on how this can be achieved without changing the risk profile associated with Change.

This information represents a starting point for Supplier consideration and development, rather than a definitive set of requirements and the contents. The nature and configuration of the Enhancement tranches will be confirmed as part of the proposed negotiation process.

As part of the scope of the Services it is expected that:

- The first tranche of Projects will be contractually committed; and
- The mechanics for agreeing future tranches of Projects will be agreed.

These Enhancements, identified in the ESR New Requirements, are specified in this Schedule and are expected to be part of the first tranche of work:

- Full purging and archiving of Authority Data to ensure legislative compliance
- Updated ESR User Interface;
- Improved search functionality;
- Ability for local ESR Users to undertake their own scenario and process testing;
- Internet enabled access and full compatibility with mobile technologies (including integration with off-line applications) and thin client platforms (subject to User Organisations systems supporting Java requirements for Professional Users);
- Flexible Employee benefits;
- Access to e-Learning for an enlarged group of approved organisations (e.g. Social Services, military reservists);
- Enhanced payroll checking and comparison functions;
- Integration of workflow with email integration;
- Self-Service expenses;

The ongoing management of the requirements will be undertaken against the ESR Services Objectives. Changes to the approach will need to be agreed through the Requirements Management process.

2.4.3 Change Pipeline

In addition to these step-changes (those currently known and those yet to be identified) this Component will also include the Change Pipeline. The Change Pipeline is a mechanism with a set annual budget such that changes, in addition to those identified in this Schedule, can be implemented without the need to seek additional funding and incur delays in so doing.

The following Services are specifically excluded from this Component, being contained within the scope of Component 2 - Operation:

- Implementation of patches and Upgrades;
- Implementation of any necessary legislative updates; and
- Implementation of any 'business as usual' changes within scope (e.g. mergers, pay rate changes)

The Operation Service Specifications are defined in Component 2 - Operation, i.e. this and referenced documentation including the ESR Baseline Requirements, define the start point of the Component 3 - Enhance.

Component 3 - Enhance will be responsible for design, build, communications, testing, training, implementation, and rollout of the items within its scope.

There is an overlap, and interdependency between these activities, and the continuous improvement activities required as part of Component 2 - Operation. It is proposed that the key determinants of whether a Change is considered continuous improvement (Component 2), or Component 3 - Enhance are as follows:

Determinant	Continuous Improvement	Enhancement
Change focus	Operational cost reduction	User experience improvement
Benefits accrue to	Supplier / Authority through gain share	Authority/ User Organisation
ESR User engagement	Limited - Change is either invisible or can usually be made with relatively brief consultation	Important - Change is discussed and agreed prior to implementing it
Policy change e.g. new Interfaces (separately funded)	Yes	No
Achievement of Reward KPIs [see Schedule 2.2 (Performance Levels)]	Supplier	N/A

3   SERVICES DESCRIPTION - TRANSITION

3.1   Transition Objectives

The objectives of Component 1 - Transition are to:

- Effect a transfer of the ESR System from the Former Supplier to the Supplier's management and locations under the governance of the Joint Transition Board with:
  - o Minimal disruption and risk to the Services, processing schedules and ESR Users - the ESR User processes and Interfaces to the ESR System are to remain unchanged – with possible exceptions such as landing pages and IP addresses;
  - o Minimal disruption to issue resolution and the on-going Enhancement/development of the ESR System in progress by the Former Supplier at the point of Cutover;
  - o A smooth transition of management and transfer of identified Former Supplier Employees;
  - o A smooth on-boarding of all Supplier Personnel into the Services organisation and operation;
  - o Clear definition of responsibilities, and transparent / agreed allocation and responsibility for risks during Component 1 - Transition;
  - o Transition of support skills and capabilities;
  - o Transition of development skills and capabilities;
  - o Transition of the Help Desk function, including all calls and their implementation/investigation;
  - o Transition of work in progress (Open Service Requests, draft specifications and other draft documentation, code in development etc.) to address Open Service Requests and implement changes. The Supplier is required to complete all such work in progress at the Operational Service Commencement Date as part of the Component 2 - Operation for fault fixes, and the Component 3 -Enhance for any Changes in progress;
  - o Transition of service monitoring, alerting and reporting;
  - o Transition of all records and documentation;
  - o Minimal training activities for ESR Users to enable them to utilise the transitioned Services;
  - o Appropriate training for Transferring Former Supplier Employees to enable them to operate in the Supplier's organisation and operational model; and
  - o Commitment to Legacy ESR Service schedules (e.g. Payroll processing dates etc.)
- Reuse the existing Legacy Assets to minimise transition risks;
- Effect arrangements and/or new or alternative systems, to support the Services previously supported using shared-use Assets (i.e. those Assets not transferring to the Supplier);
- Reuse (adoption/adaption) existing processes and operating procedures to minimise Component 1 - Transition risks unless demonstrably improved by implementing changes; and
- Establish the capability for Component 2 - Operation, to operate, maintain and enhance the Services.

3.2 *ESR Service Items*

3.2.1 Services to be Transitioned

The scope of the Services to be transitioned includes all the Legacy ESR Service delivered to the User Organisations' business functions (HR & Payroll, Learning and Talent Management, and Workforce Information Provision) to satisfy the Authority's requirements as currently set out in ESR Baseline Requirements. This is the confirmed baseline of the functional requirements for the Services undertaken and performed by the Former Supplier at the Service Commencement Date and at the Operational Service Commencement Date. This document, or successor document, will be maintained by the Supplier.

The Services being transitioned also includes supporting activities and non-functional operations as defined in the Specification for Component 2 – Operation. Where the Legacy Assets are not available (i.e.: shared-use) or unsuitable for transfer to the Supplier, Component 1 - Transition will procure/acquire/create suitable replacement assets. Assets may be deemed unsuitable for example if they are incompatible with the Supplier's infrastructure or they are near the end of their serviceable life.

In summary the Services to be transitioned are:

Business Functions supported

This includes (but is not limited to) provision, support, maintenance and development/Enhancement of the main modules of the Solution provided to each User Organisation, namely:

- Payroll/pensions;
- HR;
- Recruitment (not including the e-recruitment solution);
- Integrated identity management;
- Occupational health;
- Data warehouse;
- Learning administration (including e-Learning);
- Self-service;
- Talent management/compliance management;
- Management reporting – local and national;
- Business intelligence reporting;
- Core Interfaces e.g. General Ledger, IIM, HMRC, NHS Pensions, BACS; and
- Non-Core Interfaces e.g. time & attendance systems, expenses, active directory.
- Workforce Information Provision

    In addition the ESR System will need to continue to support the Total Reward Statements provided to all previous and current members of the NHS Pension scheme.

Operations Supported

Operation includes (but is not limited to):

- o Operational management, including but not limited to:
    - production of interface data files;

- o ESR System and Service monitoring;
- o Liaison with external bodies;
- o Network links to N3 or successor;
- o Security and access management;
- o Printing of pay-related output and delivery; and
- o BACS processing and transmission.

Support includes (but is not limited to):

- o Help Desk;
- o Incident management and problem management;
- o Service Calls including all open Service Requests at the Operational Services Commencement Date;
- o System software support and maintenance (e.g. Operating System);
- o Application software support and maintenance (e.g. Oracle HCM);
- o Technical, systems and network support; and
- o Ongoing training.

Maintenance includes (but is not limited to):

- o NHS Employee National Terms and Conditions of Service, including but not limited to Agenda for Change, Medical and Dental and Senior Manager Pay; and
- o National List of Values.

Capacity Management includes (but is not limited to):

- o Capacity prediction and modelling;
- o Performance / Availability as defined in Schedule 2.2 (Performance Levels) monitoring and management; and
- o Forward planning to maintain capacity, performance and 'headroom'

Infrastructure includes (but is not limited to):

- o Host hardware support and maintenance; and
- o System tuning.

Resilience includes (but is not limited to):

- o Backups;
- o Hardware, database and operating system Upgrades;
- o Business continuity – asset control; and
- o Disaster Recovery as specified in Schedule 8.6.

Development includes (but is not limited to):

- o Oracle HCM developments and Upgrades;
- o Delivering updates and developments to ensure Legislative compliance (e.g. Year End patches, updates to professional registration bodies);
- o Functional Changes (managed via Contract Change Process);
- o Non-specific application Upgrades and Testing;
- o New Release management;
- o Hardware Upgrades/installation;
- o Operating system, database Upgrades; and
- o Developments in-progress at the Operational Services Commencement Date.

3.3 The Transition Services

3.3.1 General Provisions

The Supplier will:

- Own and manage Component 1 - Transition from Service Commencement Date until Achievement of the Test Success Criteria [see Schedule 6.2 (Testing Procedures), with support from the Authority, to include the successful and complete Transition and Acceptance by the Component 2 - Operation as defined in Schedule 6.2 (Testing Procedures);
- Co-ordinate with the Former Supplier's activities and support to fulfil Component 1 - Transition needs within the Former Supplier's established Exit Plan obligations; and
- Promote with the Authority any additional or modified contractual arrangements that are required to be undertaken by the Former Supplier in the Exit Plan to achieve Component 1 - Transition.

3.3.2 Data Centre Move

The "Primary" Data Centre hosts the 'Production' Data Centre and the "Secondary" Data Centre hosts the 'Disaster Recovery' Data Centre. In order to maintain service continuity the Data Centre moves will require a sequence of migration steps and it may include the utilisation of Swing Kit.

The Supplier will:

- Provide Data Centre space and facilities to replace current facilities;
- Prepare the facilities (accommodation and infrastructure) ready for installing IT, communications equipment and Supplier Personnel together with establishment of support, licences and maintenance arrangements; and
- Transition Legacy Assets to the new Data Centres including physical assets and the Solution.

3.3.3 Staff Transfer

A large number of the circa 148 Transferring Former Supplier Employees and/or Former Supplier sub-contractor Employees, supporting the Legacy ESR Services are expected to be covered by the Employment Regulations. To effect the Relevant Transfer [see Schedule 9.1 (Staff Transfer)] the Supplier will:

- Establish new organisational structures ('Organised Grouping' with regard to the Employment Regulations) and processes to provide the Services;
- Provide the 'Transfer of Information' and 'Measures' to the Former Supplier and Former Supplier's Employees;
- Support Former Supplier's Staff Personnel consultation meetings;
- Deliver notification of redundancy intention;

- Assimilate Transferring Former Supplier Employees into these new organisational structures;
- Recruit and appoint new Supplier Personnel to fill gaps;
- Ensure all staff receive appropriate training; and
- Establish a fully staffed, trained and resilient organisation, supported by processes and systems, to deliver and maintain the Services.

Schedule 9.1 (Staff Transfer) further describes the Parties' obligation in connection with the transfer.

3.3.4 Understanding Existing Assets/Software

Assets, taking a wide definition, are core to this Component 1 -Transition - and are the set of configured and managed assets that make up the Services. The Former Supplier maintains an Asset Register which will identify all the Legacy Assets necessary to 'operate and maintain' the Services. The Asset Register identifies a subset - the sole use Legacy Assets - which will be available for transfer to the Supplier.

The Supplier will have had access to some asset Documentation. An Authority delivered independent assessment of the Legacy Assets will be appointed in accordance with the Exit Plan and the Transition Plan with a resulting report, remedial actions and re-assessment. This will be shared with the Supplier and a full set of relevant documentation will be provided.

An example of non-transferring activity would be if the Supplier uses their existing Help Desk. This Schedule 2.1 (Service Description) is not specifying solutions but an objective is to re-use the existing transferable Authority Legacy Assets.

3.3.5 Transfer of Operations

The Solution is expected to be transferred 'as-is' during the Component 1 - Transition. However, the supporting platforms may require reconfiguring in order to align with the Supplier's support approach (e.g. the number and scale of development environments may be rationalised dependent on approach).

To provide the Services, the Supplier will need to adapt existing Service Management Processes or develop new ones. The Supplier is expected to be mindful of the volume of Transferring Former Supplier Personnel that will be joining their organisation.

Some new systems will need to be built, where the Supplier does not have suitable existing arrangements or the Former Supplier's systems will not be transferring (e.g. Help Desk).

The Supplier will:

- Establish and manage a Quality Plan and a Test Strategy covering all three Service Components to provide a robust and efficient set of processes and assurance activities that efficiently deliver high quality outcomes;
- Establish and manage a communication strategy and plan to deliver targeted effective communications to ESR Users and User Organisations;

- Establish the Service delivery and support architecture – production systems including Disaster Recovery, supporting systems (including development, test, and performance capability), processes and organisation including development and testing;
- Establish commercial arrangements for all services and equipment to effect the Transition including facilities (accommodation and infrastructure for IT; communication equipment and staff) and also to secure their on-going support and maintenance;
- Establish a product/service roadmap to include product development and Upgrades, statutory updates, Oracle RUP deployment, Component 3 - Enhance developments etc.; and
- Establish a development strategy and process for the on-going development, support and release/change management of the ESR System.

3.3.6 Cutover Management

For the Data Centres, the Cutover Phase is expected to involve a sequence of moves (migrations) of the live service from existing infrastructure to new facilities.

Developing the detail of this will be the responsibility of the Supplier, but service continuity is of paramount importance. Planning and managing the detailed Cutover Phase activities is fundamental to the success of the Transition Service.

The Supplier will:

- Provide tested fall-back systems during the physical Cutover period;
- Robustly manage achievement of the 'Ready to Implement' Milestone which enables the Cutover Phase to commence
- Manage and execute the Cutover activities in accordance with the Transition Plan, including: communications to ESR Users and User Organisations, physical transfer of Assets, including data and documentation, from the Former Supplier's premises and elsewhere, and subsequent installation and configuration of new/replacement assets, transfer of Former Supplier's personnel, re-establishment of steady-state service;
- Communicate regarding User Organisation-side configuration to enable connection to the relocated Services and support to resolve connectivity issues;
- Rehearse the Cutover and fall-back processes;
- Implement the Cutover Phase with full escalation and fall-back plans;
- Handover operational responsibility to Component 2 - Operations on the Operational Service Commencement Date from Former Supplier; and
- Support the Component 2 - Operations by resolving Transition issues until the CCP Milestone for Component 1 -Transition is achieved.

The need for a fall back during the Cutover is defined and it is expected that the Cutover Phase will consist of a number of migrations. The expectation is that fall-back would be enabled by a temporary solution similar to a Disaster Recovery solution and the migrations will involve loss of services during Non-Core Hours as

defined in Schedule 2.2 (Performance Levels) only. Alternative proposed arrangements within the overall objectives are welcomed.

It is expected that, dependent on the approach taken, the Supplier will:

- Establish temporary infrastructure to host Test instance(s) of the ESR System (potentially on Swing Kit) for familiarisation, training sessions, and Cutover/fall-back rehearsal.

3.3.7 Services Deliverables – Outline

The detailed tasks and plans of Component 1 -Transition and a potential outline of how this could be achieved are provided below aligned to the Former Supplier's Exit Plan. The Supplier is required to lead Component 1 -Transition and alternative proposals of how this can be achieved, within the overall objectives, are encouraged.

This high-level view can be divided into 4 Phases:

> 1 - Initiate Transition governance and Plan
>
> 2 - Planning, design and development
>
> 3 - Cutover
>
> 4 - Closedown

3.3.7.1 Phase 1 – Initiate Transition Governance and Plan

Key Milestone/Deliverable	Description
Take-On Board established Milestone	Establish the membership of the Take-On Board (TOB). Agree scope and terms of reference for the TOB. Establish reporting to the TOB. The Take-On Board reports as a Project to the Joint Project Board. [See Schedule 8.1 Governance]
Engaged with Joint Transition Board (JTB)	Nominate members to the Joint Transition Board (JTB) Former Supplier, Supplier, and Authority. Agree scope and terms of reference for the JTB. Establish reporting to the JTB. The JTB will escalate issues to the Authority SRO if necessary.
Transition Plan established	Initiate the plan defined for this Component 1 – Transition and in Schedule 6.1 (Transition and Project Plans). The Transition Plan will be supported by further plans e.g. Take-On Plan, Exit Plan; and will be maintained and further detailed as the Transition

	Services progress under the governance of the JTB. The Transition Plan will define/confirm responsibilities, governance, resources, dependencies, costs, risks etc. Gain TOB and JTB approval for the plan. The plan will include activities undertaken by the Former Supplier and Authority, to effect the Component 1 - Transition objectives – such activities to be scoped and agreed in principle with the parties. Initially, until Phase 2 activities are well underway, this plan will be at a high-medium level of detail.
Assessment of Legacy Assets/Software complete	Full assessment of all the Authority Assets (hardware, software, contracts, process, documentation etc.) that are utilised in providing the Legacy ESR Service. This will a) ensure all Items are appropriately identified in the Asset Register and their purpose is understood, b) enable due diligence by the Supplier to ensure responsibility to deliver full operation defined in Component 2 -Operation. This is to be supported by an Authority funded Asset inspection and report by an independent expert. Following remedial action by the Former Supplier, a re-inspection will be undertaken and the report updated.
Initial tranche of contracts to support the Transition plan established	With JTB approval of the Transition Plan, contracts needing to be initiated immediately, either due to lead times or immediacy of need, should be established by the Authority, or Supplier, as appropriate, e.g. The Transition Plan may add or change (subject to contract) the Former Supplier's responsibilities from those established under their existing contract with the Authority and the Exit Plan in particular.
Project Management processes established	Develop the Project Management process/methodology by which the Transition Plan will be managed. Gain TOB and JTB approval, and establish the Project Management processes.
Quality Assurance Processes established	Develop the Quality Plan/methodology by which the quality of the Deliverables in the Transition Plan will be assured. Gain JTB approval, and establish the quality assurance processes.

3.3.7.2 Phase 2 - Planning, Design and Development

Key Milestone/Deliverable	Description
Primary Data Centre detailed requirements confirmed	Analysis of the Services to detail Data Centre requirements to securely and robustly house the set of IT infrastructure supporting the Services to be based at the Primary Data Centre.

Key Milestone/Deliverable	Description
Primary Data Centre infrastructure established	A Primary Data Centre infrastructure plan (a sub-plan of the Transition plan) should be developed, approved and implemented. This plan should include all facilities required by the Data Centre management and infrastructure strategies and resilience requirements, which should be ready for the arrival of Legacy IT infrastructure from the Former Supplier, or newly procured IT infrastructure.
Secondary and other Data Centre detailed requirements confirmed	Analysis of the ESR System to detail Data Centre requirements to securely and robustly house the set of IT infrastructure supporting the ESR System to be based at the Secondary Data Centre. Similar activities are required for any other Data Centre intended to house the ESR System.
Secondary Data Centre and other infrastructure established	A Secondary Data Centre infrastructure plan (a sub-plan of the Transition Plan) should be developed, approved and implemented. This plan should include all facilities required by the Data Centre strategies and the Services resilience requirements, which should be ready for the arrival of transferred IT infrastructure from the Former Supplier, or newly procured IT infrastructure.
Support Staff Office requirements confirmed	Analysis of the Services, current staffing and locations to identify office requirements to base Transferring Former Supplier Employees and New Hire Supplier Personnel to support the Services.
Test Strategy/Plan established for the Transition, Operation & Enhance Services	Develop a Test Strategy and Test Plan in accordance with Contract Schedule 6.2 Testing Procedures and Annex 5 of that schedule. Gain TOB & JTB approval, and establish the Test Methods.
Quality Plan/Methodology established for the Operation & Enhance	Develop a Quality Plan/ methodology for the future two Service Components: Operation, and Enhance. Gain JTB approval, and establish the quality method for Operation. The Quality Plan / methodology for Component 3 - Enhance will be approved through the Operations Governance Board (Schedule 8.1)

Key Milestone/Deliverable	Description
communication strategy/Channels established for the Service Components, Transition, Operation & Enhance	Develop a communication strategy. Gain JTB approval, and establish the communication channels.
Cutover Plan Drafted	A detailed plan for the Cutover Phase, including/referencing relevant activities from the Former Supplier's Exit Plan and the Take-On Plan, at the lowest level of detail is agreed.
Planning Complete Milestone	Plans and strategies are all agreed (except Business Continuity, Disaster Recovery, and Supplier Disengagement Plans)
Support Staff Office infrastructure established	An office infrastructure plan (a sub-plan of Component 1 - Transition plan) should be developed and approved. This should include plan and build of all facilities, which should be ready for occupation by Transferring Former Supplier Employees and New Hire Supplier Personnel to support the Services.
Service Management Processes established	Plan and implement an assessment of any Legacy ESR Service Management Processes and the detailed activities to adopt/adapt/replace them. Identify the support mechanisms (including systems) required and whether these will be in place or require configuration and/or development. Include the communications and training activities for Supplier Personnel and Transferring Former Supplier Employees to establish the resultant set of processes. The Service Management Processes will include the following topics: Service Call Management, Security Incident management, Incident Management, Application Support, Service Level Management, Release Management, Capacity Management, Change Management, Security Management Plan (Schedule 2.4), Service Asset and Configuration Management, Print Services. All Service Management Processes will need to be ITIL v3 2011 compliant and in accordance with Schedule 2.3 (Data Standards)

Key Milestone/Deliverable	Description
Service Technology Upgrades/replacements established	Plan and implement: • assessment of the Legacy Assets supporting the Services and, based on this, • Availability of the Legacy Assets for transfer and their expected service life, • systems/assets already available with the Supplier, • system requirements input from Service management, • system requirements input from Operations management, • the Cutover Plan and any Swing Kit required, • identify any new/expanded infrastructure required, • procurement and implementation of any new kit ready to be integrated with the Legacy Assets from the Former Supplier.
Operations Management Processes established	Plan and implement an assessment of any existing Operations Management Processes and the detailed activities to adopt/adapt/replace them. Identify the support mechanisms (including systems) required and whether these will be in place or require configuration and/or development. Include the communications and training activities for new hires and transferred Employees to establish the resultant set of processes. The Operations Management Processes will include the following topics: Project Management, Change Management, Monitoring and Alerting processes, Startup / Shutdown processes, and Backup / Restore Processes, Housekeeping and Network Management.
Business Continuity and Disaster Recovery Plans established	Develop Business Continuity and Disaster Recovery Plans, as defined in Schedule 8.2 (Business Continuity and Disaster Recovery). Gain JTB approval, and establish the supporting processes. [Ref. Schedule 8.6 Business Continuity and Disaster Recovery Plans] These plans should include any variation to cover the Cutover Phase.
New Hire Recruitment complete	Based on the Solution for support and predicated by the Supplier Personnel Office locations for support predict the resource shortfall and recruit appropriate skills and numbers, refining the prediction as the Relevant Transfer's activities for the Transferring Former Supplier Employees mature.

Key Milestone/Deliverable	Description
Transferring Former Supplier Employees [see Schedule 9.1 (Staff Transfer)] - Transition complete	Plan and implement the Transferring Former Supplier Employee transition from the Former Supplier and/or Authority to the Supplier, with full accord of the Employment Regulations and, with objectives to minimise disruption to the current service and maximise the retention of key personnel and skills numbers. The activity must take full account of the Employment Regulations and be fully coordinated with the Former Supplier. A communications strategy and plan should be developed to include all-staff communications and messages as well as communication to individual staff. This staff activity should also encompass any required contractor resources (outside of Employment Regulations). Early and effective communication to the staff and contractors is key to achieving these objectives.
Ready to Implement Milestone	All preparations activity is complete and the Cutover Phase can commence.

3.3.7.3 Phase 3 - Cutover

Key Milestone/Deliverable	Description
Cutover Management Complete	Plan and implement the Cutover Phase. This plan will include the weeks leading up to and, subsequent to, the migration weekends and the support activity including handover to Component 2 – Operation and extending to completion of the CPP Milestone. Key objectives are to establish a robust deterministic plan that minimises the disruption and risk to the Services. This plan will be dependent on readiness Milestones from other workstreams including the Former Supplier's and will encompass the physical shift activity of all the relevant Legacy Assets and their implementation, along with new technology and infrastructure into a newly (re-) established Services.
Cutover Complete	The Cutover Plan has been completed, and steady-state

Key Milestone/Deliverable	Description
Milestone	Services initiated.

3.3.7.4 Phase 4 - Closedown

Key Milestone/Deliverable	Description
Interim Steady-State Service Achieved Milestone	Completion of a period of 2 consecutive months in which a defined number of Service Credits has not been exceeded and all SPIs have been at or above Service Threshold.
Implementation Complete Milestone	Completion of a period of 6 consecutive months in which a defined number of Service Credits has not been exceeded and all SPIs have been at or above Threshold, and Business Continuity and a Disaster Recovery have been successfully completed.

3.3.8 Out of Scope - Transition

- Any change to the Services and the ESR System, other than those necessary to enable the subsequent handover to Component 2 –Operations and essential items of Service delivery (e.g. change of Service telephone number). Changes that would make significant improvements to the Services may be proposed by the Supplier but given that the primary focus of Component 1 - Transition is risk mitigation, the Authority will apply significant risk management consideration before accepting any change.

- Changes (CCNs and bug fixes) that are in development (i.e. incomplete) will be transitioned to the Component 2 - Operations but NOT be delivered into production by this Component 1 - Transition. The supporting systems to continue such development will be delivered as part of this service. Any faults or service failures introduced by Component 1 - Transition, either directly or indirectly will be resolved within scope of the Transition. Emergency fixes unrelated to the Transition will need to be considered on an individual basis as to which Component, Transition or Operation, is best suited to resolve them.

- Local User Organisations' IT equipment & systems is out of scope but supporting user connectivity to the Services is within scope and must be included in the overall communications plan.

- User Organisations' network functionality or performance not relating to the connectivity to the Supplier's premises. The service boundary is the Supplier's

connection to the N3 network or successor network. The Supplier is responsible for the ESR System up to the point of connection to N3 or successor network, i.e. the Ethernet port on the NHS router.

3.4   Service Responsibilities

3.4.1 Supplier

The Supplier will be responsible for:

- Delivering to the scope of this Component 1 -Transition specification including all project and contract management and procurement activity to fulfil this Service;
- All service reporting including progress, risks and issues to the Joint Transition Board;
- Providing senior management, not directly engaged in the delivery of Component 1 - Transition to the Joint Transition Board, to provide senior professional oversight and governance;
- Flexibility to work in joint location(s) for the duration of Component 1 - Transition either at Supplier or Authority offices;
- Identifying Authority and Supplier skills and resources required to undertake Component 1 - Transition;
- Providing the Data Centres for the Term;
- Providing Service Support Centre and other office accommodation services as necessary, for support staff for on-going occupation during the Term;
- Providing resilient network infrastructure between the Data Centres and Service Support Centre locations for on-going utilisation during the Term;
- Providing resilient tested printing facilities (e.g. pay notifications) and network infrastructure to the Data Centres for on-going utilisation during the Term;
- Communication, via established communication channels, to the ESR Users and User Organisations to inform them of the Transition Strategy and Transition Plan and, keep them appropriately informed as the plan progresses;
- Establishing communication with the established contact points in the User Organisations, confirming contact details and processing schedules;
- Confirming with each User Organisation the delivery address and delivery point and details for all centrally printed output;
- Confirming with each User Organisation the previously agreed financial year schedule;
- Confirming with each User Organisation previously agreed annual Payroll Schedules for creation of payslips, P45s, P60s and all interfaces;
- Confirming with each User Organisation previously agreed annual BACS schedules and payment dates and
- Confirming with each User Organisation details of their sponsoring bank and BACS user details.

3.4.2 The Authority via Former Supplier

The Authority via the Former Supplier will be responsible for:

- All obligations as detailed in the Former Supplier's Exit Plan including:

  o Preparation and transfer out of the Services to the Supplier whilst protecting continuity of Services without disruption;
  o Providing access to information and staff availability to the Supplier utilising the process defined in Section 5.1 of the Former Supplier's Exit Plan;
  o Providing sufficient access for issue log / tracking / testing to the Authority and Supplier;
  o Carrying out the tasks assigned to the Former Supplier in Section 7 of the Former Supplier's Exit Plan; and
  o Nominating management to the Joint Transition Board which will provide senior professional oversight and governance.

3.4.3 Authority Central Team

The Authority Central Team's responsibilities will be:

As ESR System owner and JTB member, the Authority Central Team will be responsible for:

- Governance of Component 1 - Transition;
- Providing senior management to chair the Joint Transition Board, to provide owner and Senior User oversight and governance;
- Providing Authority subject matter expert (SME) staff (seconded) to Component 1 - Transition though the Joint Transition Board;
- Representing the business requirements, Authority, ESR Users – as informed commissioner and solution custodian;
- Briefing and supporting the Supplier management team;
- Assisting the Supplier SME advice and assistance developing training/briefing/communication material/activities for developing their teams;
- Providing review, advice and constructive challenge to the Supplier on all aspects of Component 1 -Transition;
- Measuring and monitoring the performance of the Former Supplier and the Supplier;
- Providing high-level communications strategy and direction;
- SME advice regarding User Organisation's configuration to access the Services and support to resolve connectivity issues to the relocated Services;
- Providing User Organisations' Payroll and HR subject matter expertise and support;
- Providing functional subject matter expertise and support;
- Providing Interface subject matter expertise and support;
- Providing Data quality and analysis subject matter expertise and support; and

- Assessing the delivered items of the Component 1 -Transition against the agreed Test Success Criteria, identifying issues and accepting items where the Test Success Criteria have been met.

3.5 Governance

Component 1 - Transition will be governed by a regime that operates in parallel to other governance activities that may be concurrently in place for the Legacy ESR Service delivered by the Former Supplier or the governance for Component 2 – Operation. See Schedule 8.1 Governance.

3.6 Risk Management

Component 1 - Transition has a number of inherent risks and this section allocates a number of identified risks to specific parties. Risks will be managed in accordance with good industry practice and follow the process included in Schedule 8.1.

4 SERVICES DESCRIPTION - OPERATION

4.1 Introduction

4.1.1 ESR

The ESR System is the workforce system for the User Organisations in England and Wales providing Services in the following three areas:

HR & Payroll provides the facility to:

- Pay employees (ESR Users);
- Maintain accurate employee records throughout their career; and
- Provide access to employee records as they transfer between different User Organisations.

Learning and Talent Management provides:

- Self-service e-Learning catalogue;
- Staff appraisal and personal development planning; and
- Support for improvements to care by facilitating transferability of learning and associated competencies between employing authorities.

Workforce Information Provision enables:

- Mining of User Organisations' workforce data at national, regional and local levels, giving NHS England, NHS Employers, Department of Health, Health and

Social Care Information Centre, NHS Wales Shared Services Partnership, Health Education England - including regional boards (LETBs), NHS Trust Development Authority, and Care Quality Commission, the intelligence to ensure the right balance between supply and demand of staff needed to deliver high quality care.

Total Reward Statements provides:

- Access to the Total Reward Statements for all past, present and new members of the NHS Pension Scheme.

The Performance Management Board need to see the additional benefits that using the Solution can bring – for example, centralised solutions to deliver statutory requirements, such as pensions auto-enrolment, and real-time tax legislation.

4.1.2 Operation Objectives

4.1.2.1 Services Drivers

The most critical deliverable arising from this Component 2 - Operation specification is for the Supplier's team to ensure accurate and timely Payment of Employees, and the continuation of Services quality and reliability to the User Organisations.

Overarching both the Services and the general policies relating to pay and pensions is the clear policy intent that Employees of the User Organisation should have a greater awareness of the total value of their remuneration package and specifically should see their pension as a key part of this package. This will support the User Organisations in terms of recruitment activities and retention of staff.

In addition, the Supplier should collect and hold consistent and complete data which allows User Organisations and the Authority to deliver best value for the total expenditure for User Organisation staff. This should include the analysis and publication of both transactional and utilisation Data to demonstrate the levels of ESR System deployment and areas that require further support to achieve the strategic vision.

The Workforce Information Provision should enable benchmarking to establish best practice, accurate planning and forecasting based on key Workforce Information Provisions such as payroll costs, skill mix, age profiles, etc. This information supports key elements of the wider User Organisations' agenda and the ongoing provision of care.

It should be recognised that, going forward, the Supplier will need to build on the existing ESR System and this Component 2 - Operation will deliver essential change to meet the business requirement and enable and promote effective use of resources in the Authority, management entities, and User Organisations. To this end, the ESR System will be provided to the Supplier to run and operate on behalf of the Authority and wider User Organisation community. Step-Changes functionality improvements to the Services are the scope of the Component 3 - Enhance.

In addition, ensuring that value for money is achieved should be considered in terms of the overall costs of the workforce (including pay and pensions), and the total administrative costs across the full User Organisations, not just within the function of administration.

4.1.2.2 Enhancing functionality and introducing efficiencies

Component 1 - Transition is tasked with delivering infrastructure, systems, processes, communications, trained staff etc. to resume the Services under the management of the Supplier. It is not required to deliver improvements in the Services primarily due the risks and timescales involved. Continuity of the Services during Component 1 -Transition is the key objective of Component 1 - Transition.

Component 2 – Operation is required to deliver specific updates & Upgrades, maintain capabilities for user driven change and seek out continuous improvements and efficiencies. Policy driven changes (e.g. new interface to a national system) will be introduced into this Component via CCN.

A separate stream of work is defined in Component 3 – Enhance. This will be a managed portfolio delivering some user-driven step-changes in the functionality and usability of the Services in the first 4 years of operation. These changes will be delivered into the Services via a number of projects.

Service delivery - technology and methods

Once the Services have been successfully transitioned and Component 2 - Operation initiated, there are drivers and potential to continuously improve and/or re-engineer some of the elements that make up the Service. The Supplier will investigate such continuous improvements and seek approval where additional cost or non-trivial risk to the service is identified.

Contracted Change

There is a set of changes that are essential and largely predictable and these are included in the scope of this Component for delivery by the Supplier at no additional cost to the Authority. Key Items are:

- Statutory/Legislative change (e.g. changes to the tax system);
- Oracle/HMRC Year End changes;
- Maintenance/changes to existing national pay systems (e.g. Agenda for Change) and associated terms and conditions of service; and
- Organisation mergers and de-mergers required to support the changing structure of the NHS.

Business/User Driven Change

As the User Organisation workforce management processes change the Services need to adopt and accommodate such process if not enabling the change of

process. Such changes are defined, negotiated via Schedule 8.2 Change Control Procedure and delivered by Component 3 – Enhance.

4.1.3 Introduction to the Specification

4.1.3.1 Functional Specification

The Services provide a host of functionality to the User Organisations to enable them to undertake their day-to-day business functions. This is the functional part of the Services and covers business function such as recruitment, leave and absence, payroll process, talent management. This is further described in Section 4.6 Functional Specification below.

4.1.3.2 Services Specification

In order to support the provision of the functional aspects of the Services there will be a wide variety of activities of a non-functional nature such as Help Desk, training, service reporting, etc. and these are the subject of this Component 2 - Operation.

The Performance of the Services will be monitored as defined in Schedule 2.2 (Performance Levels).

4.2   Operating Environment

4.2.1 User Organisation Responsibilities

Each User Organisation will:

- Nominate a minimum of one named individual (the "**System Administrator**") and a deputy, up to 10 ESR Users per User Organisation, who will filter and assess all support requests before logging only relevant Service Calls with the Supplier (each an "**Authorised Contact**"). Where large organisations are involved, alternate arrangements may be made, to ensure that adequate cover is provided for the number of staff. This will be agreed on a case by case basis;

- Follow the agreed process for logging all problems, issues and requests for support (e.g. faults, enquiries, problems, security breaches) including initial triage;

- Respond to reasonable requests for information from the Supplier, and assist in the investigations in a timely manner in order to progress the resolution of Service Calls discovered;

- Allocate security profiles and the User Responsibility Profile ("URP") to ESR Users (URPs are defined nationally based on business process and will be setup by the Supplier);

- Create new ESR Users and delete old accounts;

- Provide Smartcards for ESR access and associated Registrations Authority responsibilities (England only);

- Be responsible for support and maintenance of their local infrastructure and equipment required to access the ESR System. In addition, User Organisations are responsible for local physical site access and access to the ESR System ;

- Maintain locally defined reports if applicable;

- Agree closure of Service Calls if applicable;

- Allow access to the Services only to authorised staff - Core Users and ESR Users;

- Retain any physical data records for a period of not less than 24 hours from the input of such data into the ESR System in support of the Disaster Recovery process in accordance with Schedule 8.6(Business Continuity and Disaster Recovery);

- Provide delivery address and delivery point for all centrally printed output;

- Agree the Payroll Schedule for the financial year with the Supplier annually in advance for payroll, BACS, payment dates, creation of payslips, P45s, P60s and all interfaces [see Schedule 2.2 (Performance Levels)];

- Provide the Supplier with details of their Sponsoring Bank and BACS user ID and ensure that any changes to these details are communicated;

- Arrange the cancellation of individual Payments by contacting their Sponsoring Bank;

- Adhere to the agreed process for transmitting a BACS file;

- Exceptionally request a BACS file to be withdrawn;

- Initiate the following processes in accordance with the Payroll Schedule:

  (i)   All periodic Payroll processes, prior to the pay run
  (ii)   Payroll pay runs (weekly & monthly)
  (iii)   Supplementary Payroll runs
  (iv)   Quick pays (monthly)
  (v)   Financial interface costing processing
  (vi)   Creation of the BACS Payment files
  (vii)   Verification that the information contained in the BACS report is valid, prior to transferring the file to the Supplier.
  (viii) Check the BACS report to ensure that:

  - The BACS payment date is correct

  - The number of transactions equate to the number of Employees to be paid

  - The total value of Payments is in line with the User Organisation's normal wages or salaries for the period involved

  - That the total value of Payments does not exceed the limit negotiated with the User Organisation's Sponsoring Bank

  - That no single Payment is exceptional

  (ix)   Reconciliation, authorisation and transmission of the BACS Payment file to the Supplier for onward transmission to BACS as per schedule agreed with the Supplier
  (x)   Reconciliation of the input report received from BACS

      (xi)   Where required, printing the local cheque report. Note, there is no facility for printing cheques

      (xii)   Period closure processes

      (xiii)   Production of P11Ds

      (xiv)   Print locally all reports other than payslips, P60s, P45s; and

- Maintain local rates attached to elements whether those elements are national or local. User Organisations will also be expected to maintain rates on local pay scales and grades.

4.2.2 Third Party Contributors/Suppliers

Support and specialist services are required for the maintenance and ongoing development of the ESR System and Services. Arrangements will be required with suitable third parties.

Refer to Schedules 2.6 (Authority Assets), 4.3 (Notified Key Sub-Contractors) and 4.4 (Third Party Contracts).

The Asset Register will identify the suppliers, the maintenance contract type, duration etc.

4.3   Authority Central Team

This section describes the existing Authority Central Team's scope of work.

It also includes some references to the currently understood position regarding the scope of this team role and how will interfaces with the Supplier. This may be subject to change if work is done to realign these activities to where they may be best allocated and therefore this section provides a starting point for reference.

It is also possible that, through innovation, the Supplier may propose alternate ways to deliver or complement these Services.

The Authority Central Team acts on behalf of the Authority and the wider User Organisation community, representing their business and commercial interests in the management of the legacy contract and Services with the Supplier.

The Authority Central Team, acting with the Supplier, it delivers the above by:

- Supporting the informed User Organisations and Core Users to take responsibility for their use of the ESR System;
- Setting and achieving visible standards, e.g. in data quality and workforce benchmark reporting;
- Working in partnership - Core Users, the Authority, suppliers, working together to deliver recognised success; and

  Maintaining a high quality fit for purpose ESR System and service.

The Authority Central Team is organised into a number of teams with defined responsibilities, led by the Authority Programme Director who has overall responsibility for the programme to the Authority and the User Organisations. The Teams are as follows:

1. Development and Operations;

2. Systems Integration;

3. Finance and Commercials;

4. Strategic Communications; and

5. Programme Office.

Schedule 3 Authority Responsibilities defines the responsibilities of these teams.

4.4 Supplier

The Supplier will be responsible for:

4.4.1 Performance Management

- Availability and Performance of the Services as specified in this Agreement;
- Management of planned Service Downtime as per Schedule 2.2 (Performance Levels); and
- Provision of a monthly Performance Monitoring Report [see Schedule 2.2 (Performance Levels)] which will include details of Performance Indicator achievements; exceptions and trends.

4.4.2 Help Desk

- Provision of a Help Desk, including an online facility for logging and tracking the Service Calls;
- Incident management and resolution, which may involve Security Incident management, Fast Track or Emergency Change processes, as defined in Schedule 8.2 (Change Control Procedure);
- Maintaining Service Call records, raised by User Organisations, updated with timely progress information, agreed workarounds and planned New Releases where known;
- Access to Service Call records (the "Service Call Logging") for the Authority Central Team to provide advice and/or action resolutions as appropriate, and also to undertake periodic audits;
- ESR System administration functions which cannot be performed by local system administrators due to the multi-employer nature of the Services;

- In the event of a reported network problem affecting user access to the ESR System, the Supplier will, as a matter of course, determine whether the issue is the Supplier's responsibility to resolve. If the fault lies outside the Supplier's boundary of responsibility, the Supplier will provide any relevant information gathered as part of this determination to the nominated User Organisation or 3rd party contact for that reported problem, in order to assist the User Organisation or 3rd party in its own diagnosis.

4.4.3 Communications

- Distributing updates and news regarding service utilisation via User notifications to ESR Users following agreement with the Authority;
- Distributing news of major service non-conformances via alert notifications to ESR Users following agreement with the Authority;
- Cascading information centralised in any agreed known error log;
- Provision of nominated contacts for escalation purposes during both Core and Non-Core Hour Periods;

- The content of all user facing communications and training material will be reviewed an signed-off by the Authority Central Team;
- Use of an Alert Notification will be exceptional and will agreed with the Authority.

4.4.4 Upgrades and Fixes

- ESR System Upgrades, applying patches and fixes to operating systems once agreed with the Authority;
- Hosting all enabling software (e.g. Java Runtime Environment);
- Maintenance and update of comprehensive Documentation to support and enhance the Services ongoing.

4.4.5 Change

- Application of any changes to the existing national terms and conditions to the Services;
- Implementation of new national pay elements and pay scales arising from national pay awards (both English and Welsh);
- Implementation of new Local Pay Elements Services if requested by the User Organisation.

4.4.6 Schedule and Contact Control

- To agree with each User Organisation's Payroll manager the Payroll Schedules where possible and practicable for each financial year annually in advance;
- To agree with each User Organisation's Payroll manager, delivery addresses, delivery points and contact numbers for authorised users;

- Central printing and delivery of payslips (English and Welsh), P45s, P60s, to defined User Organisations' distribution points;

- Transmission of User Organisation's authorised, reconciled Payment file to BACS (Bankers Automated Clearing Services) as per agreed processing schedule, where this is the chosen method of Payment.

4.4.7 Asset Management

During the Term, the Supplier will:

a) Create and maintain an Asset Register comprising:

(i) A Service catalogue to include how services are actually delivered, e.g. through service mapping showing logical as well as physical interrelationships;

(ii) Hardware Assets detailing their:

(A) Make;
(B) Model;
(C) Asset number;
(D) Ownership, charging structure and status as either Exclusive Hardware Assets or Non-Exclusive Hardware Assets;
(E) Net Book Value;
(F) Physical location;
(G) Use (including the Documentation relating to these Hardware Assets);
(H) Asset type;
(I) Asset category;
(J) Units;
(K) Description;
(L) Version;
(M) Serial number;
(N) Parent Asset;
(O) Warranty number;
(P) License number;
(Q) Lease number;
(R) Lessor;
(S) Maintainer (3rd Party);
(T) Maintenance contact number;
(U) Purchase date;
(V) Purchase price;
(W) Start date;
(X) End date;
(Y) Estimated useful economic life ("EUEL");
(Z) Resale value at end of EUEL;
(AA) Depreciation method;
(BB) Cumulative depreciation;

      (CC)   Year disposed;
      (DD)   Date last verified; and
      (EE)   Notes (e.g. quality, any attached peripherals; pre-loaded software)

(iii)   A CEMLI/RICE index – i.e. an index of customisations and extensions, identifying the functional/technical/Test documentation, made to the Services unless otherwise agreed between the Parties as further documented in this Asset Register

(iv)   All other Assets, detailing:

      (A)   Whether these are Software, Documentation or otherwise including;

      (B)   Confirming whether these contain any Authority IPRs (whether as the Authority Assets or Project Specific IPRs or Specially Written Software) unless otherwise agreed between the Parties as further documented in this Asset Register;

(v)   A Configuration Database detailing the technical infrastructure and operating procedures through which the Supplier provides the Services, which will contain sufficient detail to permit the Authority and/or Replacement Supplier to understand how the Supplier provides the Services and to enable the smooth Transition of the Services with the minimum of disruption;

(vi)   Sub-contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Services;

b) Agree the format of the Asset Register with the Authority as part of Component 1 – Transition;

c) At all times keep the Asset Register up to date, accurate and complete (in all material aspects), in particular in the event that the Assets, Sub-contracts or other relevant agreements are added to or removed from the Services;

d) Once hardware has been decommissioned, update the Asset Register to reflect the change in status;

e) Provide up to date copies of the Asset Register to the Authority no less than on a quarterly basis; and

f) Undergo a full periodic (3 years) Asset audit and update cycle against the Asset Register.

The Supplier will:

a) Procure that all Exclusive Hardware Assets listed in the Asset Register are clearly marked to identify that they are exclusively used for the provision of the Services under this Agreement;

b) Procure that all the other Assets where the IPRs are vested in the Authority are clearly identified as such; and

c) (Unless otherwise agreed by the Authority in writing) procure that all licences for Third Party Software and all Sub-contracts will be assignable and/or capable of novation at the request of the Authority to the Authority (and/or its nominee) and/or any Replacement Supplier upon the Supplier ceasing to provide the Services (or part of them) without restriction (including any need to obtain any consent or approval) or payment by the Authority.

4.4.8 General

The Supplier will:

- Develop, agree and maintain a data retention policy in accordance with statutory and the Authority's requirements (the "Data Retention Policy");
- The development and agreement of the Data Retention Policy must be in place prior to OSCD;
- Schedule and execute the necessary system housekeeping routines, to include back-ups, system tuning, preventive maintenance;
- Provide the System Administrator access to the ESR System for members of the Authority Central Team to enable the team to maintain specific items of configuration, e.g. list of value changes; security access profile changes; national KPI/dashboard configuration; NHS layer changes (e.g. introduction of a new data field to an Employee record, and personalisation of page layout)
- Provide the Authority Central Team secure access to a full functional copy of production (with actual data) to enable assistance with user Service Calls, functional reference and, critically, the ability to extract data at database table level (SQL) for analysis. This data extraction will facilitate:
  - o Analysis of data to support operational stability;
  - o Analysis of data to facilitate measurement of ESR System uptake, return of investment, benefits analysis, etc.;
  - o Extraction of Authority Data from the ESR Production Environment to enable the Authority Central Team to support requests for data from national bodies to support policy decision-making and evaluation.
- Set up and amend URPs;
- Run ad-hoc data uploads;

- Agree the nature and timing of specified batch jobs and control of batch queues;
- Enable software elements on User Organisations' site;
- Perform housekeeping and backups of the NHS Hub;
- Provision the Disaster Recovery service in accordance with Schedule 8.6 (Business Continuity and Disaster Recovery);
- Provision non-production environments, e.g. for Testing and training.

The Supplier is required to maintain ESR national codes or List of Values ("LOV"). Maintenance and additions will be effected in accordance with the Change Control Procedure and initiated by the Authority, however changes, which relate specifically to new legislation or statute will be initiated by the Supplier. Example national codes are listed below:

- Grade rate; description; pay scale; point values; grade steps & points
- Accrual plans
- Application utilities lookups
- SSP qualifying patterns
- Lookups and List of Values
- Generic Rate Retrieval
- Statutory maternity pay
- Occupational sick pay template
- Occupational maternity pay template

4.5 Exclusions

The following exclusions apply:

- BT Spine (or its successor);
- Local User Organisation's IT equipment & systems;
- N3 network (or its successor).

4.6 Functional Specification

The functional specification is maintained in ESR Baseline Requirements

The ESR Baseline Requirements is the baseline reference for determining what is required from the ESR System and hence if the ESR System is functioning correctly. Where the ESR System is deviating from the ESR Baseline Requirements, the Supplier is required to fix such deviations as part of this Service.

This document, or its successor document, will be maintained by the Supplier.

4.7 Service Specification: Application and Operations Support

4.7.1 Operation

The Supplier will undertake:

- Operational management, to ensure that all necessary operational and administrative procedures are in place and are followed. Operational management procedures will include:
  - (i) Sharing of skills and expertise such that no Services will be dependent on one individual;
  - (ii) Formal recruitment procedures for all staff involved in the operational delivery of the Services;
  - (iii) Documentation of all critical operations;
  - (iv) Validation of back-up and restore procedures and contingency plans;
  - (v) Controls to limit access to privileged accounts and other system critical data.

- Solution housekeeping, to be performed as follows:
  - (i) Full system back-up will be carried out each night;
  - (ii) A weekly copy will be sent to the Supplier's Disaster Recovery location and restored to a version of the ESR database there later;
  - (iii) A number of ESR functions require overnight batch processing to complete. These will be scheduled during Non-Core Hours;
  - (iv) Database back-ups created during the Payroll processing cycle will be retained in accordance with the Authority's data retention requirements.

- Service Management Processes to monitor manage and report the Performance;

- That the ESR System will be available for use at all times, 24 hours a day, 7 days a week, except during planned outages;

- That there will be no constraints arising from the Payroll runs other than that certain tables will be locked and unavailable for update whilst the runs are in progress. All other functionality will be available.

4.7.2 Planned Service Downtime

The Supplier will ensure:

- Where possible and practical Upgrades and maintenance will be carried out with the ESR System online;

- When it is necessary to make the ESR System unavailable to ESR Users for a period of time to carry out Software or hardware Upgrades or system maintenance, this will be agreed with the Authority and timetabled within the provisions of the Performance regime;

- Any need for emergency shutdowns, which by their nature cannot be anticipated, will be kept to an absolute minimum.

4.7.3 Liaison with External Bodies

As joint ESR activities:

The Supplier will undertake liaison with the following organisations – and others who develop a relationship with the ESR System - to specify and develop statutory and other changes and give advice in confidence when required:

- Department of Health;
- Welsh Assembly;
- Health Education England (HEE) and Local Education Training Boards (LETBs);
- Monitor;
- Skills for Health;
- Workforce Information Architecture Project;
- NHS Litigation Authority;
- Care Quality Commission;
- Postgraduate Deanery Wales;
- NHS Pensions;
- Pensions Regulator;
- Professional Bodies (GMC; NMC);
- User Organisation Employers;
- e-Learning Leads;
- Workforce Information Review Group (WIRG);
- Department for Work and Pensions (DWP);
- Her Majesty's Revenue and Customs (HMRC);
- Oracle;
- Health and Social Care Information Centre (HSCIC).

4.7.4 Security

Schedule 2.4 (Security Management) specifies the security requirements and responsibilities.

4.7.4.1 Security Management

The Supplier will ensure that all Security Incidents notified to the Supplier are immediately relayed to the Authority, are fully documented and identify where they are likely to impact on the Services.

Where the Security Incident is found to be the responsibility of the Supplier, the Supplier will resolve the Breach of Security as per the policy identified in Schedule 2.4

Where the Security Incident is found to be the responsibility of the Authority or User Organisations, the Supplier will assist, as far as is possible, the Authority in closing Security Incidents.

The Supplier Security Manager will only approve, via a member of the Supplier Leadership Team, release of information contained within the Help Desk to any third parties formally requesting such. When security information is released to third parties, details will be entered into the customer closure text and include:

- Name of recipient;
- Name of organisation;
- Date of transmission.

As joint ESR (i.e. Supplier and the Authority) activities:

- Security management will cover the integrity of the Services and will protect the data held within the Services from accidental or deliberate loss, disclosure, corruption or unauthorised alteration and will ensure that the Availability of the Services will not be compromised. Security management procedures will include:
    - (i)   Control of Supplier's and Authority's personnel including any third parties;
    - (ii) Access control;
    - (iii) Malicious software checks;
    - (iv) Maintenance of audit trails;
    - (v)   Establishment and maintenance of standby arrangements;
    - (vi) Security reporting.

Physical Security

The Supplier:

- Will be responsible for the physical security of the Assets at the Supplier's premises and will grant access to persons authorised by the Supplier only;
- Will maintain a written record of details of all people accessing those parts of the Supplier sites which house equipment or records associated with delivery of Services. The Supplier will make the written record available for audit.

Application Security
The Supplier will be responsible for ensuring:

- The ESR System will provide identity verification for access. Best practice will be observed to ensure security is observed in a way appropriate to the Services. The ESR System will:

    (i) Give each ESR User a view of the ESR System which is sensitive to his/her access privileges;

    (ii) Allow access to be defined by database, screen, software process, part of the database, menu item or individual reports to enable read, insert, update or deletion;

    (iii) Allow access to be defined by data item or field, to enable read, insert, update or deletion – especially important for confidential data such as to be found in disciplinary records, risk management, occupational health across different employers;

    (iv) Be able to hold ESR User passwords as a variable ESR User specified number of alphanumeric characters that are securely held and not allow a ESR User a defined number of previous passwords to be re-used;

    (v) Force password changes after an Authority defined period, potentially varied by user type HR/Payroll;

    (vi) Only allow a defined number of logon retries after which the ESR User failing to logon will be locked out of the ESR System until granted access by the System Administrator;

    (vii) Log the date and time of successful and unsuccessful logon attempts, the ESR User or ESR User identifier, operating environment accessed and the date and time logged off and allow for all access or attempted access to the ESR System to be reported in a flexible manner by exception – including by time of access, functions etc.;

    (viii) Allow an Authority defined inactivity time-out;

    (ix) Allow ESR User profiles to be copied to provide standardised access for groups of staff.

Solution Security

The Supplier:

- Will manage security at the operating systems, databases and applications software levels to Authority security standards; and
- Will be responsible for the prevention of unauthorised access to the Services.

The Authority will be responsible for:

- Management of URPs; and
- Approval of access to the ESR System by the Supplier Personnel from any premises, restricted to authorised personnel and approved third parties only.

Authorised management at User Organisations will be responsible for:

- Authorised access to the ESR System from User Organisations sites.

Data / System Security and Controls

As joint ESR activities:

- In the ESR System where confidential and sensitive information is held it is essential to:
    - (i)   Protect the Authority Data on the ESR System from attack by any person or organisation who may wish to take advantage by the unauthorised use of such information;
    - (ii) Maintain the confidence of ESR Users; and
    - (iii) protect Supplier Personnel data and Authority personnel data.
- To achieve this it will be necessary to:
    - (i)   Ensure that the integrity of such information is maintained and that any potential or actual security breaches are fully investigated and reported; and
    - (ii) Take corrective and preventive actions when deficiencies are identified to ensure that such incidents are not repeated.

The Supplier will carry out:

- Annual, independent, penetration testing of the main ESR System and network and also of the NHS Hub (this dedicated Unix Server contains a significant volume of custom code written by the NHS Systems Integration Team for processing various Interfaces and to transform data content and format where required – more details are provided in Section 4.11). Scope and timing of each of these tests will be agreed between the Authority and the Supplier. A formal report from the Supplier to the Authority will highlight Test results and all risks and issues identified; and
- Annual ISAE 3402 Controls Assurance Audit in liaison with the Authority (finance and commercial) representatives.

4.7.4.2 Security Incident Management

As joint ESR activities:

- It is the responsibility of both the Supplier Personnel and Authority staff to be alert to actual and potential Security Incidents.

The individual identifying a security violation is responsible for immediately escalating the Breach of Security to the Supplier Security Manager.

All Security Incidents must be reported by either Supplier Personnel or Authority staff.

The Security Manager will be responsible for:

- Formally investigating and reporting the Security Incident to the Authority Programme Director and the Performance Management Board [see Schedule 8.1 (Governance)] identifying:

  (i)   The facts of the Security Incident.
  (ii)   The immediate corrective action taken.
  (iii) Recommendations for preventive action.

- Ensuring that escalation procedures required are followed;
- Ensuring all Security Incidents are progressed, investigated and closed;
- In the case of a Security Incident a full report for the Performance Management Board;
- Ensuring in all cases a summary of Security Incidents is provided in the Performance Monitoring Report.

Loss or suspected compromise of information

As joint ESR activities:

- Any attempt by unauthorised persons to improperly obtain (including by deceit) proprietary information must be reported to the Supplier Security Manager, Authority Programme Director and Supplier Leadership Team;
- When there is reason to believe that proprietary information may be or has been stolen, lost, or is otherwise unaccounted for, the information must be reported to the Security Manager, Authority Programme Director, and Supplier Leadership Team immediately.

The Supplier will be responsible for ensuring:

- Security Incident Service Calls are treated as Commercially Sensitive Information and paper copies are not maintained.

4.7.4.3 Supplier Undertaking

The Supplier undertakes that any information, or type or class of information, of the Authority or any User Organisation of a confidential nature or which is designated with a confidentiality, security or privacy restriction according to the Authority or such User Organisation's standing orders, standing financial instructions or other regulations having similar status will for a period of six (6) years from the date of its disclosure, be treated at all times in accordance with such standing orders.

4.7.5 Timetables and Processing Control

4.7.5.1 Schedule and Contact Control

The Supplier will provide a service to include the following:

- Annual agreements on timetables for Payroll inputs, Payroll runs and despatch schedules, made between each User Organisation and the Supplier. These schedules will set out the dates by when Payroll inputs are to be complete by User Organisations in order for processing to be undertaken to meet timescales for paying staff and are thereafter maintained by the Supplier;

- To ensure correct and timely Payments are made, the ESR System's processing will be carried out to the agreed schedules. The Supplier will not be held liable for any processing or Payment delays caused by the failure of a User Organisation to meet data input timetables where this delay is not due to the Supplier;

- Monitoring and management of individual User Organisation's processing; Payment runs and BACS submissions after initiation by the ESR User, according to the above agreed schedules;

- Processing and transmission of external interfaces to the appropriate agencies according to schedules agreed with the Authority;

- Monitoring and management of all ESR Outputs;

- Remedial activity and rescheduling of processes, to minimise the impact on the User Organisation and Employees where the schedule of outputs from Payroll processes is challenged or breached for any reason; for the avoidance of doubt including delays caused by the Supplier and/or the User Organisation(s);

- Application of National Pay Awards with the agreement of the Authority; and

- Application of all legislative changes.

Note: Out of hours contact details for each User Organisation will be required and maintained by the Supplier's processing centres for urgent BACS referrals or rejections.

4.7.5.2 Controls

Availability of the despatch services will be made known to each User Organisation once their Payroll Schedules have been agreed by the Supplier.

The Supplier will maintain records for each User Organisation of the type of delivery services agreed for each type of document to be despatched. The records will indicate document type, delivery start date/period, delivery end date/period, delivery address and any special delivery instructions.

Delivery failures will be investigated by the Supplier and reported to the Performance Management Board.

4.7.5.3 Supplier's Solution – Delivery

User Organisations will be able to request a change to their Payroll Schedule and associated delivery services. The supplier will deliver the pay related output in accordance with the agreed Payroll Schedule.

The despatch will be to one nominated delivery address per User Organisation.

Delivery Schedule

The agreed annual processing schedule will form the basis for the delivery schedule. The table below summaries the delivery for each pay related output, based on the Supplier having previously made them available for collection at an appropriate time:

Type of Output	Submitted By	Estimated Delivery Time
Weekly payslips	No later than 4pm	By 10am the next Working Day
Monthly payslips	No later than 5pm	By 10am the next but one Working Day
P60s	No later than 4pm	By 10am the next but one Working Day

Supplementary Payroll runs will be accommodated as and when there is capacity to generate the outputs and the Supplier will make reasonable endeavours to deliver by 10am as per the schedule above.

General

Where a User Organisation has more than one type of pay related output for a specific Payroll, the Supplier will consolidate each request in to the same consignment for despatch purposes where feasible.

Centrally Printed Outputs

The Supplier will provide:

- Central production and printing of ESR Outputs according to the agreed processing schedules:
- Stationery to be used as ESR Outputs, namely: payslips (English and Welsh), P60s, and P45s.
- Despatch of ESR Outputs to the nominated delivery locations;
- Delivery of ESR Output to User Organisations will be made from the most advantageous Supplier premises, as agreed with the Authority; and
- A standby print facility will also be provided, in terms of capability and print capacity, should the need arise to switch this service to an alternate location. This is further detailed in Schedule 8.6 (*Business Continuity and Disaster Recovery*).

Stationery Supply and Delivery

The Supplier will supply stationery as defined above and produce the printing initiated within the Solution by the User Organisation using the Services.

The Supplier will arrange for the delivery of all pay related outputs initiated by the User Organisation within the performance target defined in KPI 15 and KPI16 in Schedule 2.2 (*Performance Indicators*) to the delivery address as agreed with the individual User Organisation.

The Supplier will maintain a record of stationery used detailing the type and quantity used with a breakdown of the Services used by each User Organisation including dates; times; quantities and courier details.

4.7.6 Local Reports

The Supplier will support:

- Local reports, as specified in the ESR Baseline Requirements, to cover all operational functional areas of the Services.
- Operational reporting for Core Users will be provided using the Oracle 6i, Oracle Discoverer and Oracle Business Intelligence ("OBIA") reporting tools. Ad-hoc reporting will be through the Oracle Discoverer reporting tool or OBIA.
- Local reports are run in two ways, immediate or queued. Reports that are classed as immediate will be added directly to the queue. The Performance Indicator targets for the run time of the reports will be based upon ESR Response Times as defined in Schedule 2.2 (Performance Levels). Reports that are queued will be controlled by the Supplier, and will be run at the earliest opportunity, based upon the Services usage. In normal running, the reports will be run overnight for availability the next morning. The exception to this may be around bank holidays, when workloads increase.

Timing of Reports

To optimise Service Performance, ad-hoc reports will be monitored, and reports that are adversely affecting Services may be suspended or terminated by the Supplier. If deemed necessary, run-time limits will be discussed and agreed at the monthly Technical Board with the Authority, and may set ad-hoc reports to time out automatically. This will be reported on and reviewed at subsequent monthly review meetings.

Ad-Hoc Reports

Support for these reports, will be provided by the Supplier but limited to issues involving the EUL or core Discoverer.

ESR BI Dashboards

National ESR dashboards are created and maintained by the Authority Central Team (NHS Development Team) – this includes any associated support of those dashboards. The Supplier will maintain, develop and support the technical

infrastructure and functionality associated with ESR Business Intelligence including (but not limited to) the ETL, data schema, and OBIA toolset.

Local Business Intelligence dashboards are not required to be supported by the Supplier but by the Authority Central Team.

4.7.7 Support

4.7.7.1 Help Desk Support

The Supplier will provide:

- A UK Help Desk facility, which will include telephone support, delivering support Services to all User Organisations for all aspects of the Services (the "**Service Call Logging**";
- An online call logging and tracking service for all User Organisations to whom the Services are provided and will be available on a "24 x 365/6" basis. Should the online facility be unavailable, Help Desk telephone support will be provided;
- Using this online facility, Service Calls will be traceable by ESR Users so that the latest progress information is always available. Should the online facility be unavailable, Help Desk telephone support will be used;
- That the Help Desk will be the focal point to the User Organisations for the provision of advice and resolution of Service Calls in respect of the Services. The support service to be provided will consist of:
    - (i) Logging of all Service Calls from the nominated contact points or deputies;
    - (ii) Responding to Service Calls based on the agreed prioritisation and associated Response Times;
    - (iii) Managing Service Calls including formal time related escalation procedures which may involve Security Incident management or Fast Track Change processes;
    - (iv) Communicating with the ESR User to the point of final resolution of the Service Call;
    - (v) Responding to the individual User Organisation within the Service Call resolution timescale where the resolution is identified as not being with the Supplier e.g. local LAN, peripheral equipment or local ESR User issues.
- Access for the Authority Central Team to the online call logging and tracking service to enable the Authority Central Team to fulfil their areas of responsibility.

4.7.7.2 ESR Portal

The Supplier will supply and maintain an online ESR portal to provide access for registered ESR Users to the ESR System. This portal will provide access to:

- Legacy ESR Service status and current/recent User communications/notifications;
- Operational timetables;
- Summary of forthcoming releases;
- Summary of forthcoming Service Downtime events;
- User manuals and educational information;
- Known error logs;
- Online Service Call logging;
- User communications/notifications history.

The ESR portal will be:

- Available 24 x 7 x 365/6;
- Accessible by ESR Users with compatible technical requirements with the ESR System;
- Designed with ESR logos and layout agreed with the Authority.

4.7.7.3 Service Call Management

Calls raised with the Help Desk will be prioritised and addressed within definitions detailed in Schedule 2.2 (Performance Levels), with the exception of calls categorised as Change/Enhancement requests.

Change/Enhancement requests will be managed by the Authority Central Team.

Service Call Priorities

Service calls are allocated the following priorities:

- Priority 1 (Critical)
- Priority 2 (Severe)
- Priority 3 (High)
- Priority 4 (Moderate)
- Priority 5 (Low)

These are specified in Schedule 2.2 (Performance Levels).

Service Call Reporting

- All Service Calls must be logged on the Supplier's Help Desk. The procedure to be followed will be made available online
- Authorised contacts will be nominated at each User Organisation for Service Call logging; these members of staff are responsible for following the procedure for reporting problems, enquiries and faults. These staff will need to progress

fault resolution with the Supplier and be the only point of contact to prevent unauthorised requests and potential Security Incidents.

- For Service Calls logged in Non-Core Hours, a nominated member of staff will need to be available to progress the Service Call through to resolution, unless agreement is made on an individual basis to progress the resolution the following day.

Service Call Escalation

- In the event that a Service Call is not resolved within the required Target Performance Levels then:
    - The call will be escalated by the Supplier, according to a pre-defined timetable;

    - Appropriate escalation contacts within both the Authority and Supplier teams will be informed to review and agree on the appropriate action for resolution.

- All calls that have missed their Target Performance Levels will be reported in the Performance Monitoring Report.
- Other calls that would also follow the escalation timetable would include:
    - A Security Incident (e.g. any unplanned outage or significant degradation of the Services such that it is deemed unavailable);

    - Requirement for an Emergency Change.

- It is expected that the Supplier will work with the Authority to develop and implement processes and procedures for Security Incident management and Fast Track Change.
- Details of all escalation events will be reported in the Performance Management Board meeting.
- The Supplier will keep the User Organisations' Authorised Contact informed of progress and the escalation status.

4.7.7.4 Solution Support

The Supplier will provide all support and maintenance services to meet the functional and Service Requirements in line with this Schedule 2.1 (Service Description), the ESR Baseline Requirements, the ESR New Requirements, and the Asset Register.

4.7.7.5 Application Support

The Supplier will provide application support to the Authority for all the required products, including but not limited to:

- Application Management Pack for e-Business Suite
- BPEL Process Manager

- Database Partitioning
- Discoverer
- Oracle HR
- OBIA
- Oracle Workflow
- OLM
- Oracle Tutor (if required)
- Oracle Payroll
- Self Services HR
- Other Modules where implemented as part of the Services:
- e-Learning
- IAT
- Occupational Health
- Recruitment
- Total Reward Statements
- Data Warehouse
- Core interfaces include extracts to support local and national reporting solutions
- All future application Enhancements to the above.

Note: The Supplier will not be responsible for application support of the System.

4.7.7.6 Technical and Solutions Support

The Supplier will undertake:

- All system management, housekeeping and utility functions as part of the managed service delivery.
- Technical services to support the service including, but not limited to:
  - (i) Capacity management;
  - (ii) Hardware Upgrades;
  - (iii) Hardware / operating system migration;
  - (iv) Performance and Availability monitoring;
  - (v) Operating system Upgrades;
  - (vi) Contingency planning;
  - (vii) System tuning;
  - (viii) Preventative maintenance;
  - (ix) Integrity checking.

- Operational support, to include but not limited to:
  - (i) Performing backups;
  - (ii) Performing recoveries (when necessary);

(iii)   Database reorganisations;

(iv)   Production of interface data files (e.g. BACS, GL, HMRC, NHS Pensions)

(v)   Print production;

(vi)   Controlled despatch and delivery of outputs.

4.7.8 Training

Ongoing Training Provision

The Supplier will:

- Provide further training to the User Organisations in line with product Upgrades which will be delivered using a mixture of CBT (e.g. Oracle Tutor), Instructor-led courses, e-Learning and consultancy as appropriate;

- Provide courses at Authority, or User Organisation sites, the Supplier's facilities, or training centres at various locations in the UK;

- Schedule courses to cover all functional areas on a quarterly basis. Places to be allocated on a first come first served basis.

Supporting training documentation will be provided to Sites for each delegate who attends ESR User Training. This will take the form of student workbooks. An ESR User manual will be accessible on line within their local network via standard browser software. In addition, an e-Learning tool will be provided to all sites that will be a replication of ESR. This software will be accessible on to the local network and be available for use by delegates who will be able to use this tool in a teach/try and Test self-development mode.

The Supplier will keep the training material up to date for the duration of the Agreement. The e-Learning tool will also be updated throughout the duration of the Agreement.

Training Services Requirements

The Supplier will:

- Deliver end user Training courses to User Organisation staff. The curriculum for these courses will be agreed in advance. Although the programme may be revised by mutual agreement, the Supplier and Authority will be expected to adhere to an agreed plan. Failure to do so will be addressed in the Service Levels

- Ensure all training courses offered by the Supplier contain a mechanism whereby attendees can provide feedback and evaluate the course. The aggregate evaluation scores will be used as a means of assessing the quality of the course materials, instructor delivery methods and content;

- Agree a means of the instructor assessing the comprehension level of each student at the end of each course will be made available. The aggregate of this

evaluation will be used in part to assess the overall effectiveness of the training strategy;

• Provide training materials in a timely manner and sufficient quantity for expected numbers of students.

4.7.9 Preventive Maintenance

The Supplier will:

• Provision a thorough regression and Performance-testing regime to be applied to each release to the Services to ensure they are performant and function as required.

4.7.10 Capacity Management

The Supplier will:

• Undertake regular ongoing capacity management to ensure the Services can meet the current and predicted demand.

The Supplier will:

• Monitor the Services in respect of Performance, Availability and capacity against system usage and growth;
• Monitor Performance of all Interfaces and networks (excluding NHS Systems Integration Team activity);
• Perform analysis, modelling, and Performance testing of the trends of CPU, memory and network utilisation and Data storage sizes for the ESR System;
• Forward plan to maintain capacity, Performance and 'headroom' on the basis of growth an predicted demand
• Propose actions necessary where predications indicate potential future Performance or capacity issues;
• Modify the configuration of the ESR System to optimize resource usage;
• Enhance the capacity to cater for growing demand, taking into account the targeted service/Response Times;
• Perform capacity management impact analysis for all CCNs and Upgrades across all the capacity management elements;
• Monitor Help Desk-related capacity and review on a monthly basis;
• Escalate the implications of any short-term predicted lack of capacity and report to the Performance Management Board; and
• Issue periodic (quarterly) capacity management statements, including future capacity predictions, for all key elements of the Services, HR/Payroll system, Help Desk, networks etc., (load versus capacity and growth projection, busy hour, busy day, Response Time degradation).

4.7.11 Hardware & Infrastructure

The Supplier will draw no distinction between hardware Upgrades and new hardware introduction. In each case a parallel environment will be built, tested and introduced.

The exceptions to this procedure would be hardware Upgrades that are regarded as of critical severity, such as bugs that are found that may affect data integrity.

In this case the Supplier will:

- Request planned Service Downtime from the Authority as soon as possible and will apply the relevant Upgrades in a controlled, planned environment;
- Structure the file systems to enable an administrator to rapidly back out a change should there be unforeseen circumstances;
- Maintain a documented policy setting out how this procedure will be implemented which will form part of the operational procedure documentation for the Services (see "Operation" section); and
- Upgrade hardware as necessary to ensure provision and Performance of the Services is consistent with the Performance Indicators and to accommodate any Upgrades; developments; or Enhancements introduced.

4.7.12 Maintenance and Support of Hardware

The Supplier will:

- Maintain contractual arrangements for maintenance and support for all hardware used in the ESR System;
- Maintain the hardware and resolve issues, and manage all third parties support and services;
- Provide a schedule of Service Downtime for agreement by the Authority for changes to the ESR System which require Service Downtime, e.g. for essential maintenance;
- In the event of an item of hardware developing a fault, call the relevant maintenance third party. Details of the fault and actual Response Time will be recorded in the Service Call;
- Remove any Confidential Information or sensitive data from hard disk(s) if any item has to be sent off the Supplier premises for repair. If this is impossible then an undertaking of confidentiality will be obtained from the repairing agency before releasing the item to them.

4.7.13 Contingency Planning and Disaster Recovery

Schedule 8.6 (Business Continuity and Disaster Recovery), defines the Business Continuity and general Disaster Recovery requirements.

4.8 Service Specification: Interfaces

The complete list of interfaces is defined in the ESR Interface Inventory which also distinguishes the interface responsibility between the Authority and the Supplier. The ESR Interface Inventory is a defined 'Controlled Document' within the term of Schedule 8.2 (Change Control Procedure).

4.8.1 Supplier Supported Interfaces

The Supplier will support the following national Interfaces:

4.8.1.1 General Ledger

General Ledger Interfaces will be run by the individual User Organisations according to agreed schedules.

4.8.1.2 BSA NHSPA (Pensions Agency)

The schedule for these will be agreed between NHSBSA and the Authority.

The different pensions agency interfaces comprise:

- Daily update of ESR Users SD and employment numbers;
- To establish consistency of records with individual User Organisations, an ad-hoc synchronisation exercise may be performed between the ESR System and NHSPA;
- The new joiner Interface executes at a national level, weekly;
- The changes Interface executes at a national level, daily;
- The Payroll update interface executes at a national level, typically in sync with the payroll cycle; and
- The Year End Payroll update interface executes annually.

4.8.1.3 HMRC

The Supplier will support data interchange with HMRC in line with the Real Time Information (RTI) initiative, including:

- P45 (for manual P45s);
- Employer alignment submission;
- Full Payment submission;
- Employer Payment submission;
- Year End update process;
- NINO Verification Reply Process (notification of inbound changes).

The Supplier will also support inbound/outbound files to/from HMRC, including:

- P46 (Car); P6; P9; student loan forms SL1 and SL2.

The Supplier will implement and support legislative/statutory changes to the HMRC interface.

4.8.1.4   Generic Time and Attendance

Interfaces to and from the User Organisation time and attendance systems. These will form part of the above agreed processing schedule.

4.8.1.5   IIM

Interfaces to and from the CRS systems. These will form part of the agreed processing schedule.

4.8.1.6   TRS

Interface from pensions systems. These will form part of the agreed processing schedule.

4.8.1.7   Interface Requirement – COPP

In addition to the Interfaces existing at the Operational Services Commencement Date, a new Interface to the Cabinet Office Performance Platform is required to be implemented within 12 months of Operational Service Commencement Date.

This interface will provide the Cabinet Office with Services Availability statistics.

4.8.2   NHS Network - N3

N3 or a successor network is specified for the delivery of the ESR System to User Organisations. The service boundary is the ethernet port on the N3 router within the Supplier's Data Centres. The Supplier is not responsible for performance of the application over the N3 infrastructure.

4.8.3   Supplier Interface Hub

The Supplier Interface Hub is a standalone machine which sends and receives files between the ESR System and a number of other systems, including the NHS Hub. It is required to interface to the following systems:

- BACS
- Deaneries
- EDI
- e-Recruitment

- General Ledger
- Generic Outbound
- Generic T&A Inbound
- HMRC
- NHS Professionals
- NHSmail
- NHS Pensions
- Occupational Health
- Professional Bodies
- Total Reward Statements

The Supplier Interface Hub will:

- Receive a file and pass it on to another system;
- Receive a file and leave it in a folder to be picked up by the ESR System; and
- Poll a system for a file and pick it up and pass it to another system when found.

An agreed mechanism will be used for each type of file as required.

4.8.4 Authority Central Team Supported Interfaces (Out of Scope)

The Authority Central Team supports a number of national and local Interfaces via the NHS Hub as detailed in Annex 4.

4.8.5 NHS Hub

The Supplier will provide a separate NHS server (the **"NHS Hub")** to receive; process; transform; and then forward a certain subset of ESR Interfaces. A Disaster Recovery / standby server will also be available at the Supplier's alternate site. Hardware support maintenance and additional support services for this infrastructure will also be provided as described below.

Schedule 3 Authority Responsibilities, defines the Authority Central Team's Interface responsibilities.

4.8.5.1 Authority Requirements – NHS Hub

The Supplier is required to:

- Provide a highly available, highly resilient main server (the "NHS Hub") as described above, with a Disaster Recovery standby server available at the Supplier's alternate site;
- Hardware support and maintenance;
- Maintain Unix accounts and secure FTP accounts including any setup required;

- Agree details of the scheduling and frequency of the interfaces. This provides timings and a template for each User Organisation to use when agreeing their schedules;
- Ensure backups and data are encrypted; and
- Ensure passwords are replicated between primary, secondary and Disaster Recovery nodes.

The Authority will:

- Provide the Supplier with the required application software for the NHS Hub other than the operating system.

4.8.5.2 Summary Table of Supplier Responsibilities

Hardware Maintenance	The server hardware will be supported as detailed in Hours of Cover below.
Resilience and Disaster Recovery Services, as per Schedule 8.6 (Business Continuity and Disaster Recovery)	In the event of a disaster being agreed – the Supplier will arrange for the NHS Hub Disaster Recovery server to be used in line with the overall timetable for Disaster Recovery.
Operating System Support	The server operating system will be supported as detailed in Hours of Cover below.
Operating System New Release Review/Validation	Operating system patches will be reviewed and validated before Upgrade. This will be kept in step with the ESR production hardware.
Operating System New Release Installation	Major operating system Upgrades will be reviewed and validated before Upgrade. This will be kept in step with the ESR production hardware.
Operating System Management / Housekeeping	Scripts will be provided, and maintained, for the running of system management tasks (backups, operating system shutdown, and environment start-up / shutdown). ESR User access maintenance, FTP account setup and maintenance.
Operating System Analysis of Daily Operational Problems	Analysis of any problems encountered in daily operation of the ESR System will be undertaken and remedies implemented as necessary. Where a solution cannot be provided the problem will be logged with the appropriate hardware or software maintenance provider and, if possible, a work around implemented. If necessary, any patches supplied by the maintenance

	provider will be installed.
Operating System/Software Configuration	Where new components, such as printers and disks, are added to the ESR System any reconfiguration of system parameters and / or files necessary to recognise the new devices will be undertaken.
Operating System Reorganisations	Minor re-organisations required in order to utilise additional hardware and / or diagnose performance issues will be undertaken as part of the Services.
Operating System Performance Reviews	Should Performance problems be reported a system review will be undertaken and recommendations made on the necessary course of action. These reviews will give broad out-lines of the performance of processor, memory and disks together with recommendations as to whether new hardware is required or if a re-organisation would correct the problem. More detailed reviews can be undertaken on a time and materials basis.
Data Security	Backup of the operating system and application data and files will be done once a night. In the event of a restore being required, technical services scripts will allow recovery of any data lost as a result of system failure
Operating System Recovery	System or data recovery, when necessary, will be undertaken from the last successful backup.
Penetration Test	Perform an annual penetration test of the NHS Hub and provide a copy of the resulting report to the Authority.

Authority Responsibilities with regard to the NHS Hub Service and the 3rd Party Software, Custom Software are defined in Schedule 3 Authority Responsibilities.

4.8.5.3 Hours of Cover

The Supplier will:

- Provide cover during Core Hours for Service Calls of all priorities; and
- On-call support will be provided 24 x 7 x 52 weeks a year for Priority 1 Service Calls.

4.8.5.4 Maintenance & Support Services Description

The Supplier will:

- Provide support and maintenance services to the scope described below;
- Monitor the NHS Hub infrastructure regarding:
    - (i)   Availability
    - (ii) Connectivity
    - (iii) Hard drive capacity
    - (iv) Instances of failover
    - (v)   Availability and update status of the Disaster Recovery service
- Provide 24 x 7 x 52 hardware maintenance.

4.8.5.5 Future Developments

The Supplier will:

- New Release review/validation:

  Where practicable, New Releases will be installed on the NHS Interface Hub Disaster Recovery platform to check compatibility with the application prior to installation in production. The Authority will validate and Test that the deployed applications operate correctly. In other circumstances, it may be adequate to jointly review release notes to identify potential problem areas.

- Upgrades:

  The Supplier will ensure that the Unix Operating system components will be maintained in line with supplier supported release levels. Implementation of the New Releases will be agreed with the Authority.

- New Release Installation:

  New Releases of operating systems, under a maintenance contract, will be installed in-line with the core ESR HCM platform operating system version.

4.8.5.6 Solution Management / Housekeeping

The Supplier will ensure:

- Relevant system management tasks (backups, operating system shutdown, and environment start-up / shutdown) will be undertaken; and
- Availability of the web services at all Supplier locations, via https.

4.8.5.7 Application Software Support

The Supplier will:

- Offer day-to-day application software support for Open Source Software tools including: Apache Web Server, GNU-PG Pro FTP and FTPS via pro FTP; and
- Ensure the Perl scripting language is available and operational.

4.9 Service Specification: Development

4.9.1 Sources of Development Work

Development will be required to evolve and maintain the ESR System. Step changes to functionality and usability are the scope of Component 3 – Enhance, and are outside of the scope of this Schedule 2.1 (Service Description), however there will be significant development activity within this Component 2 - Operation.

Development requirements will be initiated from a number of sources, some of which are predicable; i.e. annual cycles, Oracle Upgrades; some of which are well announced such as business driven change; and some of which are unpredictable i.e. operational issues.

All developments will need to be planned, and scheduled. Impact Assessments, as defined in Schedule 8.2 (Change Control Procedure), are required to identify the breadth and depth of testing necessary and enable the changes to be scheduled into releases for testing and implementation. Accuracy and stability of Component 2 - Operation will be a paramount governance consideration before releases are approved for implementation into service.

4.9.1.1 Source 1: Predictable Changes (included in Operate Service Charge)

Maintenance of Elements

The Authority will inform the Supplier of forthcoming Changes as soon as they become aware (i.e. the fact that a Change is expected, before the detail) and of the detail as soon as it is available. The periods of notice referenced below cover the period from receipt of final details through to handover to the Authority to test.

Elements

- Tax calculation formula updates – these will be implemented in accordance with Government instructions following notification from the Authority and 2 months' notice will be given;
- National Insurance Contribution (**"NIC"**) percentage updates – these will be implemented in accordance with Government instructions following notification from the Authority and 2 months' notice will be given;
- NIC formula updates – these will be implemented in accordance with Government instructions following notification from the Authority and 2 months' notice will be given;
- Statutory sick pay and statutory maternity/paternity pay values – these will be implemented in accordance with Government instructions following notification from the Authority and 2 months' notice will be given;

- Statutory sick pay and statutory maternity/paternity pay formula – these will be implemented in accordance with Government instructions following notification from the Authority and 2 months' notice will be given;

- NHS and other pension scheme percentages and values – these will be implemented in accordance with Government instructions following notification from the Authority and 2 months' notice will be given;

- Pension scheme calculation formula updates – these will be implemented in accordance with Government instructions following notification from the Authority and 3 months' notice will be given;

- All attachment of earnings/student loans/WFTC calculation formula updates – these will be implemented in accordance with Government instructions following notification from the Authority and 2 months' notice will be given; and

- Bulk update of authorised deduction table entries – these will be implemented in accordance with Government instructions following notification from the Authority or User Organisation and 2 months' notice will be given.

Element Values

The Supplier will:

- Provide updates following notification of new values from the Authority or User Organisation with one month's notice where values are per period or annum. If a new formula is needed, three months' notice will be given.

Elements and Calculations

The Supplier will:

Provide updates following notification of new values from the Authority or User Organisations and 1 month's notice will be given. Linked to:

(i)   Salary related formula. (e.g. Sal Rel 1, 2, 3, 5, 6, 7, 8, 9, etc.);
(ii)   Part salary related formula (e.g. Sal Rel 4,);
(iii)   Not salary related (e.g. non salary related elements);
(iv)   Subject to bonus formula (e.g. elements to feed the bonus balance);
(v)   Be treated as either taxable or non taxable (e.g. two separate elements);
(vi)   Be treated as either NIC or non NIC (i.e. two separate elements);
(vii)   Be treated as either pensionable or non pensionable (i.e. two separate elements, although some could be fed by indirect results); and
(viii) Be treated as pay or non pay (earnings or expenses).

Localisations

User Organisations will maintain:

- Local pay scales;
- Local Generic Rate Retrieval ("GRR") rates; and
- Local Payroll calendars.

If there are any issues arising from the local maintenances of these elements, a Service Call will be logged with the Supplier's Help Desk.

The Supplier will maintain:

- National elements;
- Element definitions;
- Formulae; and
- Major changes to elements.

Any requests for localisation changes will be logged with the Supplier via a Service Call. The Supplier will supply an element template for Change Requests and will follow up to verify and agree the Changes. The request will then be progressed through the Change Control Procedure.

National Pay Awards

A National Pay Award is:

- Issued by pay circular or equivalent, communicating to all User Organisations in England notifying revised rates of pay which are to be paid to all Employees specified by all User Organisations in England; or
- Issued by the Welsh Assembly to all User Organisations in Wales notifying revised rates of pay which are to be paid to all employees specified by all User Organisations in Wales; or
- Rates of voluntary contributions to Trade Unions and other bodies where these are a standard rate across England and Wales.

The Supplier will:

- Update reference tables for nationally agreed pay scales, allowances and deductions and implement them for all User Organisations at a date agreed with the Authority (contract manager) Representative.

The Authority:

- Has the responsibility to obtain copies of advance letters or equivalent from the Authority which will provide details of the agreements reached on terms and conditions of Services for the groups of ESR Users working in the User Organisations; and
- Will, at the earliest opportunity, interpret changed information and present it in an agreed format for the Supplier to readily apply those changes to the ESR System. The Supplier will extract the data, validate the extract, upload the data into the ESR System and validate the uploaded data.

As joint ESR activities:

- Where new pay scale points are required or grade steps need to be inserted/ changed/ removed, these will need to be highlighted and the effects separately notified (by e-mail or supporting documentation) to ensure that all the necessary actions are fully and correctly applied by the Supplier;
- The Authority must obtain the letters and present the verified information in the correct format in good time, as far in advance of the start of the next pay period as possible; and
- The date of implementation (and arrears if appropriate) will be agreed with the Authority. This will depend on the monthly and weekly Payroll Schedules, the date on which the Authority provides the necessary information to the Supplier and the effort required to apply the award.

Local Pay Awards

The User Organisations must:

- Notify the Supplier of local pay awards by logging a Service Call following the agreed process. The Supplier will respond and arrange receipt of the data within the Performance Indicator target for Services Call ; and
- Ensure local pay award data will reach the Supplier no later than:
   o 10th of the month for monthly pay runs
   o Friday before pay day for weekly pay runs

Note that where a new or changed pay element formula is necessary for a local pay award, this will require 1 month's notice and will be subject to the Change Control Procedure.

Arrears

The Supplier will ensure that:

- Details of the changes that have taken place in local pay awards and the Employees affected will be included in the appropriate "RetroPay" report for

that User Organisation enabling them to assure the arrears Payment calculations.

4.9.1.2 Source 2: Patching/Updates (included in Operate Service Charge)

Oracle Updates

The Supplier will Upgrade the Solution:

- On a regular basis, to a recent Oracle Release (normally released by Oracle in the summer) maximising any new/enhanced functionality;
- With any legislative updates from Oracle in a timely manner (i.e. prior to any processing requirements), specifically with regard to legislative patches for the Authority's financial year end (ending 31st March of each year);
- To the latest version of eBusiness Suite (believed to be 12.2) as soon as possible to ensure that the User Organisation can benefit from any functional gains delivered by that release; and
- In line with delivery of Oracle updates, both in terms of bug fixes and Enhancements. These patches must be considered for impact on the ESR System with a view to the earliest possible release.

Legislative Updates

The Supplier will update the ESR System:

- With Law updates which may take the form of a delivery required by Oracle (see above) or a development required of the ESR System that does not require Oracle to develop the vanilla solution;
- To ensure the ESR System is always compliant with current legislation irrespective of whether it requires a pure vanilla Oracle deployment, a customised/configured delivery based on Oracle vanilla or a full bespoke custom/configured ESR System; and
- In a timely and accurate manner to ensure compliance within required timeframes.

4.9.1.3 Source 3: Maintenance

Changes – Bespoke Development (additional to the Service Charge)

Where bespoke development is required within Component 2 - Operation a separately funded change (CCN) will be agreed.

The Supplier:

- Must ensure the ESR System is able to respond to new requirements from the User Organisations or new policy direction. A schedule of major releases should be identified to accommodate such changes. Smaller changes – for example not requiring Performance or regression testing – should be considered for the earliest possible release outside of these major cycles;
- Should note that Component 3 – Enhance will implement some major Changes to the Services offering and also an annually funded Change Pipeline; and
- Must engage in the agreed Change Control Procedure to ensure changes are defined, costed, controlled, and efficiently developed and implemented with minimum risk.

Minor Changes – Configuration (included in Operate Service Charge)

The Supplier must ensure the ESR System is able to accommodate small-scale change in a timely and efficient manner. For example, changes to national code sets that do not adversely impact any Interface solution (e.g. subjective codes).

4.9.1.4 Source 4: Responsive Maintenance (included in Operation Service Charge)

Resolving Defects

Some of Service Calls raised with the Help Desk will not require development:

   a) Queries on how to use the ESR System; and

   b) Requests that an action is carried out.

Some Service Calls may in due course require development and provide an entry-point into the business driven change in section 4.9.1.3 Source 3: Maintenance:

   c) Requests for functional change/Enhancement to the ESR System.

The remaining category of Service Calls will require development to address the fault. This development may be configuration, and/or modification to code or data structures.

Reports that all or part of the ESR System is not working as expected. The Supplier must configure and/or modify the ESR System to resolve non-conformance to requirements in a timely manner in accordance with the relevant Performance Indicators - Schedule 2.2 (Performance Indicators).

Preventative Maintenance

The Suppler must regularly monitor the ESR System and assess the underlying product set in third party supplier information. From this activity the need to re-develop areas of the ESR System, as well as other actions, will be identified by Supplier which should be undertaken in a timely manner to prevent detrimental impacts to the ESR System or Services in the future.

4.10 Service Specification: Change Implementation

4.10.1 Application Change/Upgrade Testing and Implementation

Schedule 6.2 (Testing Procedures) defines the approach to testing and in particular of a contractual delivery Test Strategy and Test Plan to cover all 3 Service Components – Transition, Operation, and Enhance. Annex 6 of that Schedule sets out the grouping and priorities of the changes and maps an assumed Development Lifecycle Process onto specific governance Milestones.

The Supplier will:

- Develop project plans for development, testing and implementation of each new Change/Upgrade of the application software in conjunction with the Authority's nominated contact, and will implement for all User Organisations on a date agreed with the Authority;
- Undertake independent testing of software that has been Changed or Upgraded in accordance with the Test Strategy and will provide test results to the Authority Central Team;
- Develop, Test and implement all Upgrades free of charge. Upgrades will only be carried out on the central servers and not on individual User Organisation devices;
- Ensure Changes and Upgrades will cause minimal impact on live software in terms of system configuration. Each change in each release will be fully documented;
- Ensure all changes/Upgrades are fully stable and fully supported by the Supplier and configurations will not be overwritten during Changes/Upgrades;
- Apply Changes/Upgrades to a Test environment to allow adequate time to review and Test before these are applied to the live environment;
- Manage the timing of the application of Changes/Upgrades into the live environment, and this will only occur after the Supplier is satisfied the Change/Upgrade is suitable for use;
- In the event of a desktop refresh becoming necessary solely and exclusively to facilitate an Oracle HCM/p Upgrade, provided that no alternate programme or source of funding is available to the Authority, the impact of the desktop refresh on the Core Users will be managed and resourced by the Authority Central Team; and
- Provide classroom or online training for all Changes/Upgrades which result in a material Change in the functionality of the ESR System or its use to which delegates from each participating User Organisation will be invited.

4.11 Service Specification: Engagement and Communication

4.11.1 Identifying and Managing Stakeholders

- The Supplier will work with the Authority to maintain communications with stakeholders who are affected by or will have an influence on the Services;
- The Supplier will work with the Authority to build stakeholder commitment to the vision.   This knowledge will enable action to be taken both to maximise the use made of enablers and to minimise impact of any blocking factors;
- The Supplier will proactively manage stakeholders and jointly with the Authority determine the best approach to managing key people/groups;
- Stakeholder analysis will be reviewed periodically and changes fed into the broader plan.

4.11.2 Engagement with the Authority Central Team

- The Supplier will engage with the Authority Central Team in an open and transparent relationship with a collaborative approach, joint working, and sharing of information and concerns including outside of the formal meeting structure;
- The Supplier will engage with the Authority Central Team in the planning, implementation rehearsal, and sign-off of releases and changes to the ESR System at the detailed level, resulting from all sources (e.g. ESR User raised Service Calls, Supplier raise issues, maintenance activities etc.), to review and jointly agree priorities for such Changes. This may include reassignment of priorities, which result from ESR User interaction with the Help Desk.

4.11.3 Engagement with Oracle

- The Supplier will engage with both Oracle and the Authority Central Team in a collaborative approach, with joint working, and open sharing of information;
- The Supplier will support/enable the Authority Central Team's direct visibility to Oracle development, providing direct access to their developers and product strategy and product developments;
- The Supplier will support/enable the Authority Central Team's direct access and visibility to Oracle 'My Support';
- The Supplier and the Authority Central Team's will have joint access to Oracle's CAB with sharing of outputs and formal feedback from supplier.

4.11.4 Communications

There will be various levels and lines of communication within the Services.

Issue escalation and operational contacts are referred to under "Incident and Problem Management" earlier.

The Supplier will appoint relationship managers to act as the points of contact to User Organisations.

A National User Group ("NUG") has already been established and meets quarterly. This group is attended by senior members of the Development and Operations Team. In addition 5 National Special Interest Groups and a Data Warehouse User Group meet quarterly. The 7 Chairs of the NUG and NSIGs meet quarterly to determine system development priorities. Local User Groups or Regional Special Interest Groups are formed by User Organisation Users. Representatives of these groups will be nominated to attend the National User Group.

NUG Functions:

• To provide a forum for knowledge transfer, debate and discussion on ESR issues – process, functionality, workarounds etc.;

• To identify/support the strategic direction for development and deployment;

Any day-to-day operational or urgent communication will be through the Authority and the User Organisation's Authorised Contacts.

4.11.5 User Liaison

The Supplier will provide the following for ongoing support and management of the Agreement:

• Annual surveys of an agreed random sample of User Organisations who are receiving the Services will be undertaken, in which the Supplier's Performance will be rated against a number of agreed criteria;

• Survey results will provide feedback to the Supplier's Project Team and will provide the mechanism, where necessary, to adjust and refine ongoing plans and activities;

• The Supplier's Project Team will undertake a team review to reinforce positive learning points from the Services and to explore how any shortfalls in the delivery of the Services might be rectified;

• By invitation lead sessions at User Group meetings for both application systems and services;

• Attendance at meetings with the Authority to discuss contractual issues, service delivery problems and future business opportunities; and

• Customer relationship management contact systems to track all contact information and to ensure that it is passed onto all relevant parties for information and action.

4.12 Service Specification: Management

4.12.1 Governance Structures

Schedule 8.1 defines the Governance including structures for Performance, change, technical, commercial and risk.

Schedule 3 Authority Responsibilities defines the roles of the Authority Programme Director, NHS ESR Director of Operations and Development, and Contract Manager. Operational Engagement Activities

In addition to the Governance structure in Section 8.1, a structured programme of regular engagements between the Authority Central Team and the Supplier is required. These are expected to be collaborative and practical forums that support and enable joint working between teams, shared and transparent understanding of progress and resolution of issues. The exact structure of these operational engagement activities is not prescribed but it is expected to include one, or more, regular meetings and to include a variety of inputs and feeds into the Performance Management Board or other governance structures.

Examples of the topics that these forums should cover include:

- Reporting of operational service incidents, key statistics and trends to include unique Service Calls by functional area;
- Management of User Organisations to submit Payroll calendars and ensure that User Organisations achieve their timetables;
- Forward planning and agreement of key business events including, but not limited to, Christmas processing schedule, Year End, Doctor rotations, and pay awards;
- Release planning, progress reporting, and resulting training and Service Downtime agreement;
- Escalation by exception to the Authority Central Team where action is required to remedy User Organisation behaviour;
- Reporting and analysis of report requests and, by exception, directing ESR User facing Supplier and Authority team to engage specific ESR Users to understand their business need and behaviours;
- Planning and reporting audit activity e.g. controls assurance (ISAE3402);
- Planning and reporting penetration Test activity;
- Planning and reporting Business Continuity and Disaster Recovery rehearsal and plan update; and
- Planning and reporting URP security review's annual assessment to ensure that URPs access matches the documented position.

4.13 Service Specification: Data Services

4.13.1 Ad-Hoc Data Loads

The Supplier will:

- Perform loading of data from spreadsheets or other sources on an ad-hoc basis. This capability will be available through the joint team, i.e. Supplier and Authority;
- Review the requirement and advise on the technical feasibility of the request and, if agreed, the format of the data to be submitted, and timescales; and

- Review and respond within the Performance Indicator targets of the Service Call. Timescales for the upload will be agreed, which will provide the service level target for completion.

4.13.2 User Organisation Mergers / Splits / Changes

User Organisations will from time-to-time require restructuring with new organisations created, organisations ended, and organisations merging and/or splitting. Such events may result in one-to-one, one-to-many, many-to-one, or many-to-many reorganisations. The planning, scheduling and timing of these events is crucial and the Supplier will enable and support these events.

See PITN-S14 'Overview of IAT,' PITN-S15 'Overview of Merge', PITN-S16 'Overview of MOCP'.

4.13.3 Data Quality Support

The Authority Central Team will undertake a number of data quality activities and Projects. The Supplier is required to support this activity by assessing the objectives, plans, and methods proposed and assisting to ensure the activity is efficient and effective.

The Supplier is required to propose potential data cleanse activities for further investigation based on their knowledge of how the ESR System is used, the issues encountered, and the potential benefits of data cleanse activities.

In addition where additional specialist skills are required the Supplier is required to support the Authority Central Team to undertake these activities.

4.13.4 Service Specification: Continuous Improvement

This Schedule 2.1 (Services Description) should not be regarded as a fixed statement of service requirements, but as a basis for continual improvement as circumstances change and opportunities arise.

The Supplier must:

- Remain active in the process of updating and improving the ESR System and underpinning Performance Indicators in order to draw upon their experience of actually providing and enhancing the Services.

Services Delivery – technology and methods

The Services and the methods of provision prior to Operational Services Commencement Date are expected to be sound, but once the Services has been successfully transitioned and Component 2 - Operation initiated there are financial drivers, the desire and the opportunity to improve and/or re-engineer some of the elements that make up the Services. There are many drivers for such activity e.g.

- The product roadmaps;
- Supplier's technology roadmap;
- Operating costs;
- Skills availability;
- Upgrade/replace to ensure maintenance cover;
- Reduce vulnerabilities; and
- Reduce staffing effort.

The Supplier is required to seek improvements on a continuous basis informing the investigations and plans and seeking approval where additional cost or non-trivial risk to the service is identified.

Functionality Utilisation

The product set that the Services are based on has a rich set of features only some of which are enabled. There are features that could be enabled which would be beneficial to the ESR Users. Some of these features are already licensed but have not been enabled or tested because they are not necessary to meet Authority Requirement, or where not available at the time a requirement was met in an alternative way. The Supplier is required to regularly appraise the disabled features and propose and discuss with the Authority potential for exploiting such functionality. If the Authority wishes to take up that functionality then the normal change process will be followed.

Reporting

Continuous improvement activities will be reported on a monthly basis to the recording the investigations underway, recommendations (including cost estimates and benefits), development/implementation progress, and effort expended.

4.14 Mid Term Strategic Review

4.14.1 Background

The Authority will undertake a Mid Term Strategic Review of the Services **("Mid Term Strategic Review").** It is expected that this review start in September 2017. The Authority will commission a review and requires the Supplier to fully participate in the Mid Term Strategic Review.

The Mid Term Strategic Review will look at long term service configuration model for HR, Payroll and workforce Information Provision, propose a future operating model and set out a roadmap for achieving this operating model.   This will determine the nature of the Disengagement Plan and make recommendations upon the nature of contract(s) at exit. The duration of the Mid Term Strategic Review will be confirmed during the initial set up work, with an expectation that this Mid Term Strategic Review will be completed within 24 weeks.

4.14.2 Stages to undertake the Mid Term Strategic review

Participate in the Set up review inc. establish roles / assumptions → Participate in the review → Feasiibility and Detail Changes to the Solution → Cost the change → Implement

Stage 1– Participate in the Review setup

The Supplier is required to participate in the initial set up of the Mid Term Strategic Review at no cost to the Authority other than those set out in Schedule 7.1 (Charging and Invoicing). This will produce the detailed scope of the work and the factors that the Mid Term Strategic Review will cover.

Current assumptions will need to be updated, and it is expected that the scope of work will cover the following:

- The current ESR System that has been developed and used in the delivery of the Services;
- The Product roadmap of the products used to deliver the Services, and an analysis of other comparative products;
- Software market and IT trends;
- Current Cabinet Office and Authority direction of travel in respect of the IT strategy;
- DH / NHSE / Welsh Assembly direction re: structure of the health service and provision of clinical and support service;

- Uptake of shared service provision, and broader shared service initiatives;
- Risks and issues associated with Changes / exit;
- Likely cost of Change;
- Appropriate benchmarking;
- Optimum implementation timescales and possible contract durations;
- Outcome and consolidated views following engagement with ESR Users of the Services, the supplier market, Department of Health, Treasury and Cabinet Office; and
- User Organisations' views including the benefits and restrictions of a shared Solution/Services.

Stage 2 – Participate in the Mid Term Strategic Review

The Supplier is required to participate in the Mid Term Strategic Review to support the objective assessment of the agreed scope.

Stage 3 – Feasibility study and detail impact of the Recommendations

The Supplier is required to participate in Impact Assessments, developed to scope out the restructuring of the Services to incorporate the required changes identified in the Mid Term Strategic Review.

Stage 4 – Cost the change

The Supplier is required to cost the changes, both in terms of the components of the Services they will supply over the remaining years of the Agreement and to support professional estimation of potential future service costs.

The Supplier is required to support the development of a business case for a possible contract extension for the Extension Period after the Initial Term.

Stage 5 – Implement the change

The Supplier is required to implement the Changes agreed as part of the Mid Term Strategic Review within the required timescales established by the Mid Term Strategic Review. I.e. the outcome of the Mid Term Strategic Review may fundamentally change the nature and shape of the Services.

4.14.3 Output

The Supplier is required to participate in the outputs of the Mid Term Strategic Review:

- A report into the exit requirements of the ESR System. This will be in the form of a business case that sets out the various options, costs, benefits, and risks that have been identified. The output will then be used to inform the "Strategic Outline Case" and "Outline Business Case" that will be required to identify

appropriate internal and external approval. The Exit Plan requirements are predicated by an understanding of the next HR/Payroll/OLM solutions/services landscape – which could be circa 450 solutions procured from the market by the User Organisations. An output will be the recommended next HR/Payroll/ULM solutions/services landscape;

- Update of the Disengagement Plan; and

- Incorporation of the required changes into the Services using the existing Change Control Procedure. For the avoidance of doubt the Supplier will be entitled to claim additional fees to incorporate any changes arising out of the Mid Term Strategic Review but will not otherwise be able to claim any additional fees in connection with this Mid Term Strategic Review.

4.14.4 Level of input required.

- Participation in this Mid Term Strategic Review is expected to require material time input from the Supplier – potentially in the region of 2 full time individuals across the course of the review, supported by additional expert input from the broader Supplier Personnel as necessary.

4.15 Services Quality

4.15.1 Quality Plan

Clause 6.1 of the Agreement places an obligation on the Supplier to develop a Quality Plan. This Quality Plan will identify the quality processes and activities to which all Components, 1, 2 and 3, will be subject.

The Quality Plan will follow "Industry Best Practice" and put the key contract processes (e.g. governance, Change, Audit) into a quality framework as well as establishing the framework by which solution quality is assured (e.g. Documentation management, Testing, reviews, release management, development gateways, compliance audits etc.)

4.15.2 Performance Indicators

Schedule 2.2 of the Agreement sets out the Performance Indicators (Key and Subsidiary) by which the Services will be monitored. This schedule also defines the requirement for a Performance Monitoring Report and a Performance Management Board.

5   SERVICES DESCRIPTION - ENHANCE

5.1   Enhance Objectives
There are (5) overarching objectives of this Component 3 - Enhance:

- **Deliver a step change in ESR User experience.**   It is anticipated that this will increase user satisfaction, drive uptake and usage of the ESR System and reduce costs for User Organisations (e.g. reducing data input, transaction handling and Response Times).

- **Maximise the benefits that are delivered by the ESR System.** It is considered that there are additional opportunities to deliver further benefits both by extending the ESR System into new functional areas (e.g. the exploitation of data and information) and by driving uptake (to secure further benefits from existing functionalities.

- **To increase the modularisation of the ESR System.** Take opportunities to adopt a more flexible and componentised technical architecture so that the Authority can exercise greater choice of future ESR System components.

- **Ensure, and where possible, extend the economic life of the ESR System.** There is an expectation that the ESR System will be effective over the proposed Term. Component 3 - Enhance may be required to safeguard this expectation.

- **To achieve the above quickly, maximising the return on any investment made.** Rapid enhancements will both maximise the financial and user experience benefits outlined above.

Additional objectives include:

- Enhancing the ESR System with minimal disruption and risk to the provision of Component 2 - Operation;
- Providing robust governance and management of the Enhance process that can predict, track and demonstrate benefits achieved through Enhancements;
- Provide a clear approach and schedule to deliver Enhancements in accordance with strategic business and user needs;
- Active engagement of the ESR User community throughout the Enhancement processes so that they are fully prepared to embrace the Changes to the ESR System as they are implemented;
- Establishing capability to maintain and support any Enhancements delivered;
- Taking opportunities to remove customisations, but maintaining functionality, across the ESR System and reduce maintenance effort and timescales and increase flexibility to take-on new product developments;
- Complying with the relevant policies and guidance set out in Schedules 2.3 and 2.4; and
- Improve performance against Performance Indicators.

5.2   Scope Of Enhancement Services

The scope of the Services is an end-to-end Enhancement and improvement programme which includes the Supplier:

- In addition to the Enhancements listed below, identifying potential opportunities for Enhancement;
- Managing the portfolio process of consolidating these opportunities into Projects;
- Delivering the agreed Projects (from concept through to implementation); and

- Manage the user adoption process (to ensure that opportunities deliver the intended benefits).

The key items of scope in each of these areas are listed below.

5.2.1 General Requirements

The Supplier will:

- Own and manage the Component 3 - Enhance;
- Jointly with the Authority Central Team, manage proactive and informative communications relating to the Component 2 - Enhance targeted at ESR Users and User Organisations via established communication channels;
- Jointly with the Authority Central Team, include and engage ESR Users and User Organisations throughout the Component 2 - Enhance; and
- Adopt and adapt the strategic direction as embodied in technology road maps, Data Centre strategy, Test Strategy etc.

5.2.2 Identifying Opportunities for Improvement

The Supplier will:

- Work with Authority Central Team to understand, refine and detail their business requirements;
- Proactively propose Enhancements to the Authority Central Team so that the Services can better meet these requirements and achieve the objectives set out above; and
- Assess the optimum approach for delivering identified requirements. In many, but not all cases, this is expected to include Changes to the ESR System. A variety of mechanisms will be available to the Supplier to deliver these, and the Authority has no pre-conception of the right approach for meeting any specific requirement. Changes to the ESR System could include:
  - o Using existing licensed software in a different manner;
  - o Customising existing licensed software;
  - o Obtaining new software from third parties;
  - o Developing in-house based solutions; or
  - o Establishing open Interfaces and stimulating the market to engage with them.

The Supplier is expected to consider which of the above routes offers best value for money and identify the likely costs, benefits and timescales of the identified opportunities so that the relative merits can be considered, likely value for money and return on investment can be determined and resources prioritised appropriately.

5.2.3 Managing The Portfolio

The Supplier will:

- Structure the prioritised opportunities into proposed Projects which can then be reviewed and approved through an ESR Enhance Board;

- Engage jointly with the Authority Central Team with third party software suppliers and Component 2 – Operations to understand the product roadmap, and development windows and schedule activities accordingly;

- Track, monitor, manage and assure the progress of the Projects, ensuring that they are delivered to time, budget and quality requirements;

- Ensure that Milestones and Authority Central Team defined Test Success Criteria for each Project are specifically identified, tracked and that performance against these is reported; and

- Agree Test Success Criteria for each Milestone with Authority Central Team with reference to the line items in the 'Scope of Component 3 – Enhance' section above. These criteria will include Test Success Criteria. Delivery against these criteria will be assessed regularly. When all the Test Success Criteria are confirmed as complete, or any outstanding items have been agreed to transfer to the Component 2 – Operation, that element of the Component 3 - Enhance will be deemed complete.

5.2.4 Delivering The Programme

The exact nature of the delivery will be determined by the nature of the Enhancement proposed; however this is expected to include:

- The anticipated benefits;

- Detailed design;

- Software installation, configuration and customisation activities;

- Technology infrastructure Change;

- Process and procedural Change;

- Testing and Test Strategy;

- Documentation;

- Training;

- Deployment activities;

- Integration into Component 2 – Operations;

- Benefits measurement; and

- Delivery of an in-service Proving Period.

The Authority Central Team will continue to scope ESR User engagement and participation. It is expected that throughout these activities the focus on target benefits will be maintained: i.e. at each stage the benefits targeted will be reconfirmed before proceeding to the next stage.

The Performance Indicators associated with Component 2 - Operation will apply to each element of Component 3 – Enhance as soon as it is implemented into the ESR Production Environment.   The addition of new features / functionality as part of

the Component 3 - Enhance may also lead to the agreement of new Performance Indicators.

5.2.5 Managing Adoption

The Supplier is also expected to take joint ownership with the Authority Central Team for managing the adoption of any Enhancements and ensuring that they deliver the targeted benefits.   Specifically, the Supplier will be responsible for ensuring:

- Take up and adoption of any Enhancements to the levels projected as part of the opportunity identification process;
- User satisfaction with any Enhancements as measured by the Authority through agreed user feedback and survey mechanisms; and
- Delivery of benefits identified in the opportunity identification process.

5.2.6 Enhance Project Delivery – Integration/Coordination with Component 2 – Operation Services

In delivering Enhance, the Supplier should note the following:

- Skilled resources may be available to be seconded into the Component 3 - Enhance team from the Component 2 - Operations team, although the Supplier is expected to track and transparently report on any cross resourcing between Component 2 - Operation and Component 3 - Enhance teams;
- Where possible and appropriate, the established policies, strategies, procedures, and tools should be utilised. In particular the technical/configuration Change processes in effect at the time will be followed;
- Component 2 - Operation should not be compromised by Changes delivered by this Component 3 - Enhance;
- Communication and training should use established channel and methods; and
- Once initial testing is complete, subsequent stages of testing (regression and Performance) and installation will need to coordinate Component 3 - Enhance releases into ESR Production Environment with Component 2 - Operation releases to:

    a) Ensure the Component 2 -Operation are not compromised; and

    b) Leverage Component 2 - Operation activity that may complement the Component 3 - Enhance plan (regression testing for example may be combined between Component 3 - Enhance releases and Component 2 - Operation releases.

5.3   Deliverables – Outline

The Supplier will lead all activities to supply these Deliverables and will devise and agree suitable Deliverables and Test Success Criteria with the Authority Central Team to ensure each item is successfully completed.

The Deliverables outlined below are an initial view of how the programme can be structured. The Authority is looking to the Supplier to propose the details of the Project to deliver the objectives and requirements.

This Component is a programme made up of Enhance Projects, an Enhance Bucket - for Enhancements that do not justify full project governance, and an annually funded Change Pipeline.

A Project is a managed activity to implement one or more Enhancements in a single release. The Projects will be delivered as 4 overlapping tranches of work. Within each tranche there will be one or more Projects.

5.3.1   Stage 1 – Programme Initiation (one iteration covering multiple tranches of delivery)

Key Activity/Deliverable	Description
Establish the ESR Enhance Board (EEB)	Nominate members to the ESR Enhance Board ("**EEB**"). Agree scope and terms of reference for the EEB. The Enhance Board reports as a Project to the Joint Project Board. Establish reporting to the EEB and interaction with overall contract governance structures.
Agree Terms of Reference	Develop and agree a set of terms of reference for board, membership, reporting and governance reporting.
Appoint Key staff	Identify and appoint Key Personnel for Project Management, requirements, architecture, design, and planning.
Develop the Enhance Strategy	Building upon previous work develop the strategic direction, technologies and phases/Project that will be the basis of the programme.
ESR Full Vision	Develop and communicate at a high-level the vision for Enhance. This will be based on the Project initiation documentation and be the basis of early communication to stakeholders. At this stage this will not be fully detailed or fully costed.

Establish the Enhance Project Plan	The detailed plan developed from the high level contract plan for Component 3 (Enhance) which includes the ESR New Requirements, and utilising the SMEs, develop the Project initiation document containing the Component 3 - Enhance Project Plan for the whole Enhance Component with responsibilities, governance, resource needs, dependencies, risks, success criteria and adoption objectives etc. Gain EEB approval for plan. This plan should cover, at a high-medium level, activities to effect the Programme objectives and a summary of Stages 1 and 2 and indicative plans for Stages 3 and 4. This is not a detailed plan for the individual Projects within the Programme but should provide an initial view of the Projects and their scope and also indicative implementation dates. As the individual Projects get underway Component 3 - Enhance Project Plan will be updated, but the detail should only be maintained in the individual Component 3 - Enhance Project Plans.
Establish project management Processes	Develop the Project Management process /methodology by which the Component 3 -Enhance Project Plan will be managed. Gain EEB approval, and establish the Project Management processes.
Establish the Quality Assurance Processes	Develop the quality process/methodology by which the quality of the Deliverables in Component 3 - Enhance Project Plan will be assured. Gain EEB approval, and establish the quality processes.

5.3.2 Stage 2 - Planning & Design (multiple iterations)

It is anticipated and recognised that the Component 3 - Enhance releases will be implemented into the ESR Production Environment in a number of distinct Component 3 - Enhance releases over an extended period as a co-ordinated programme of Projects with each Project running to an individual schedule.

The Projects will in all likelihood have their own designs and plans developed and approved on individual timelines. It is assumed that these stages will be traversed multiple times – once for each Project.

Key Activity/Deliverable	Description

Key Activity/Deliverable	Description
ESR architecture Changes defined	the architecture change required to develop and support the subset new requirements which are in scope of the project.
Fully detail the Solutions	Workshop the Solutions with key User Organisations to ensure they are fully detailed, agreed and relevant.
Establish the Enhance Project Plan	Develop the Project Plan for all the stages of the specific Project with responsibilities, governance, resources, dependencies, costs, risks etc. This Component 3 - Enhance Project Plan should cover, at a detail level, activities to effect the objectives of the particular Project. The individual Project Plans should be submitted for EEB approval.

This Component 3 - Enhance Project Plan should now be maintained until the conclusion of the Project. |
Revise the Enhance Project Plan	Revise the Component 3 - Enhance Project Plan in light of the planning knowledge/information now available. The Component 3 - Enhance Project Plan should now be updated regularly as the Project progresses.
Solution Design completed	Solution Design is completed for the Work Package
Test Strategy complete	The Test Strategy/Plan for the Project has been developed to encompass functional, non-functional, regression, Payroll comparison testing, and Performance testing as appropriate. The test assets (tools, scripts, automation etc.) are developed to be reusable and augment the test assets in use within the on-going Services.
Implementation Test Criteria Agreed	Agree Authority Central Team proposed Test Success Criteria to be achieved before the Changes can be implemented into the ESR Production Environment.
Solution Acceptance Test Criteria Agreed	Agree Authority Central Team proposed Test Success Criteria to be achieved in the ESR Production Environment, including detailed Services measurement processes, that will verify that the Changes are fully functional and performing.

Key Activity/Deliverable	Description
Stage 3 (Development and Test) Project Plan Agreed	Detail and approve the Stage 3 Section of the Component 3 - Enhance Project Plan with resources dependencies, Deliverables, governance Milestones and costs. This section will include all development (detailed design, code and configuration) activities, testing (functional, non-functional, regression, performance), training preparation and updating all the impacted development, test, configuration, and training documentation.

5.3.3   Stage 3 - Development and Test (multiple iterations)

Key Activity/Deliverable	Description
Code & configuration developed	The code and configuration has been developed in accordance with the ESR System design. All associated specifications and build Documentation has been completed.
Testing of Solution build completed	The Enhancement has been tested and behaves in accordance with its functional and non-functional requirements. All tests outcomes have been documented, issues investigated, resolved and retested and all documentation updated.

Key Activity/Deliverable	Description
Stage 4 Project Plan for Enhance Agreed	Detail and approve the Stage 4 Section of the Component 3 - Enhance Project Plan with resources dependencies, Deliverables, governance Milestones and costs. This plan will include installation rehearsal, ESR Users, User Organisations, Authority Central Team, and Supplier support staff communications, ESR User and Supplier Personnel training, adoption programme, the installation (release) into the ESR Production Environment, enhanced ESR User support during an initial Service period, Changes to supporting systems, Help Desk, networks, alerting etc.; preparation and resourcing for a Proving Period. Key objectives are to establish a robust deterministic plan that minimises the disruption and risk to the Services. This should include updating the Service Management Processes and supporting data/documentation that may require Change including: Service Call Management, Incident Management, Application Management, Test Management, Release Management, Capacity Management, Project Management, Change Management, Security Management, Configuration Management, Print Services, Disaster Recovery, Service Reporting.

5.3.4 Stage 4 - Project Implementation (multiple iterations)

Key Activity/Deliverable	Description
Train the ESR Users	Using established training methods provide classroom and/or computer based training together with training materials, "How to ..." guides and other direct to ESR User communications. Update the ESR User manual.
Train the Supplier Personnel	Train the Supplier Personnel to utilise and maintain the Enhancements being introduced.

Key Activity/Deliverable	Description
Service Implementation Approved	All the Test Success Criteria have been achieved and the Component 3 - Enhance Release can now be implemented into the ESR Production Environment.
Install into Production	Install the Enhance Release into the ESR Production Environment following an installation rehearsal.
Enable Support systems	Install necessary Changes into support systems, update Business Continuity/Disaster Recovery processes.
Functional/Performance Stabilisation	Until the Test Success Criteria are achieved the programme will provide technical support for investigation and resolution of functional, non-functional and performance issues resulting from the Enhancements implemented into the Services
Enhanced ESR User support	Provide additional support to ESR Users and Supplier Personnel for a Proving Period to ensure ESR Users are able to fully utilise the Enhancements and Supplier Personnel are able to assist ESR Users as required.
Implement Adoption Project	Run the adoption programme to promote and achieve the adoption objectives.
Solution Acceptance Achieved	All the Solution Acceptance Test Criteria have been achieved and the Component 3 - Enhance Release is fully accepted in to ESR Production Environment
Benefits Delivered	All benefits assessed and being delivered.
Project Closedown	Confirm Project objective met, conduct lesson learned activity, de-mobilise Supplier Personnel Project staff.

5.3.5 Out of Scope - Enhance

- The day-to-day operation of the Services (Component 2 - Operation) is out of scope of Component 3 - Enhance. However this Component is responsible for 'successful deployment' of developments which includes both acceptance and hand over into the control of Component 2 - Operation.

5.4 Programme Responsibilities

The Supplier will be responsible for:

- Delivering to the scope of this Component specification including all Projects and contract management and procurement activity to fulfil this specification;
- Ensuring all Enhancements are packaged and delivered into Component 2 – Operation;
- All Service Component reporting including progress, risks and issues to the ESR Enhance Board;
- Providing senior management to the ESR Enhance Board, to provide senior professional oversight and governance;
- Communication to the ESR Users and User Organisations, jointly with the Authority Central Team, to inform them of Component 3 - Enhance and schedule and keep them informed as the plans progress;
- Establishing communication with key contacts in the User Organisations, confirming contact details and organisation specific activities to deliver the enhancements;
- Providing office accommodation for the duration of the Service Component for Supplier Personnel;
- Identifying Authority skills and effort required to support Component 3 - Enhance; and
- The quality and governance of programme activities including all quality/governance Milestones and Test activities.

Supplier responsibilities within the Component 2 -Operation that relate to the Component 3 - Enhance are:

- Providing senior management to the ESR Enhance Board to provide senior professional oversight and governance;
- Providing SME staff to Component 3 - Enhance though the ESR Enhance Board (subject to agreement);
- Providing communications delivery relating to Component 3 - Enhance to User Organisations via established communications channels;
- Providing plans and co-ordination of Component 2 - Operation activity with Component 3 -Enhance activity to promote progress and make best use of resources – to include joint testing of a release where appropriate; and
- Provide specialist services to quality assure the Changes and implement into operation.

5.4.1 User Organisations

Each User Organisation will:

- Respond to reasonable requests for information from the Authority Central team, regarding design or set-up of the new functionality from the Supplier;

- Communicate information on Enhancements provided by the Supplier to their appropriate staff groups;
- Undertake staff training, distribute training materials and manuals and ensure their ESR Users are familiar with the New Releases; and
- Filter and assess all support requests regarding the ESR System prior to logging with the Help Desk.

5.4.2 Authority Central Team

The Authority Central Team's responsibilities are defined in Schedule 3 (Authority Responsibilities*).*

5.5 Governance

The governance of the Component 3 - Enhance is defined in Schedule 8.1 (Governance).

5.6 Risks Ownership

Component 3 - Enhance has a number of inherent risks and this section allocates a number of identified risks to specific parties. This list in non-exhaustive and will be maintained by the Supplier. In owning a particular risk that Party is responsible for action to mitigate that risk and the cost of remedial action to address the issue and any collateral issues should that risk occur.

ID	Risk	Ownership
1	The phasing and delivery of key Component 3 - Enhance requirements is a risk to the strategic vision of full deployment.	Authority
2	ESR production obligations may result in Component 2 - Operations being unable to commit to requests for expertise and resource.	Supplier
3	The Component 2 - Operation will have its own schedule of Changes which may result in contention for resources in particular in the later stages of testing and installation.	Supplier
4	Component 2 - Operation is at risk of adverse impact due to poor planning or build quality.	Supplier

5.7   Quality

Clause 6.1 of the Agreement places an obligation on the Supplier to develop a Quality Plan. This Quality Plan will be developed during Component - 1 Transition and identify the quality processes that Component 3 – Enhance activities will be subject to.

5.8   Test Procedures

Schedule 6.2 - Testing procedures of the Agreement describes the approach to testing and in particular of a contractual delivery Test Strategy and Plan to cover all 3 Service Components – Transition, Operation and Enhance.   Annex 7 of that Schedule sets out the grouping and priorities of the Enhancements and maps an assumed Development Lifecycle Process onto specific governance Milestones.

5.9   Enhance Requirements

The Services Changes to be introduced in Component 3 - Enhance are defined by a number of categorised and prioritised requirements.

The priorities indicted have the following meaning:

E – Essential requirement. If this requirement is not met in the early stages of this Agreement, it will severely impact the reputation of ESR going forward and will compromise the vision for full functional deployment. There will be a significant risk of organisations moving away from ESR for some of the footprint which will compromise the investment objectives. Assumed development window 0 – 12 months from the Operational Service Commencement Date;

I – Important. These are items the ESR Users would consider high impact from a business perspective but may not be day one requirements. Assumed development window 0 – 24 months from the Operational Service Commencement Date;

A – Aspirational. These have been defined by ESR Users as required for ESR. However, they may not be classified as essential to the business and will serve to enhance the reputation and usability of the ESR footprint and therefore support the strategic vision of full deployment. Assumed development window 0 – 48 months from the Operational Service Commencement Date (though these may be reprioritised by developments that become Business As Usual ("**BAU**") under the new Agreement);

O – Oracle impacting. Seen as essential/important, the 'Lift and Shift' of the ESR System (Oracle solution) will mean that the development may require Oracle to develop these areas – if they cannot be delivered as extensions or customisations of the core solution.

Preliminary work on the functionality to be introduced in Component 3 - Enhance has identified 3 types of Change:

- Regular Projects. These are Changes that should follow the full Development Lifecycle Process (with possible variations by agreement);

- Enhance Bucket. These are relatively small Component 3 - Enhance Changes that can follow a lighter variant of the Development Lifecycle Process. This mechanism is similar to the Change but for a different set of changes; and

- Major Projects. These are large and/or complex Projects from a technology and/or roll-out point of view. These could involve prototyping, pilots, staged roll-outs, stage Payments etc. and the Development Lifecycle Process may require significant adaption to govern these Projects appropriately.   In due course these adaptions will be outlined in the Services Specification and agreed in detail when the Project is being initiated.

Some requirements are expected to be larger Changes and are therefore to be governed as Projects ("**Regular" or "Major"**). The requirements identified as Major are significant Projects that may need additional Milestone gates due to their complexity and timescale. Delivery Milestones are listed below to provide indicative scale and sequence to these requirements, Major1, Major2, Order1, Order2 etc. These are intended to provide a start point for the planning activity and are not a formal requirement.

The first tranche (Tranche 1) of requirements to be delivered have Delivery Milestones identified. These reflect contractually committed delivery dates. The Tranche 1 requirements are repeated in ANNEX 2 Enhance Tranche 1.

Note that Component 3 – Enhance also includes the annually funded Change Pipeline.

The requirements are listed under the following areas:

- General requirements
- Security, access and infrastructure
- Core HR
- Core Payroll and pensions
- Career management and learning management
- Self Service
- Local/management reporting
- Finance

The Supplier is required to work with the Authority Central Team to ensure these requirements are all fully understood and defined.

5.9.1 General Requirements

ID	General Requirements	Priority	Delivery Milestone
GR2	The ESR System must deploy the most up to date technology with regard to any ESR User Interface and reflect currents trends (e.g. consistency with social network sites to enhance user familiarity) to include (for example and not restrictive requirements): Google; Web Centre/Web2.0; Social Networking; Mobile Devices. The ESR System must include a dashboard front end for user access. The 'portal' should be the access point for all ESR Users and display key items of information relevant to the user's profile. This portal will be able to have elements of national and flexible local configuration to allow for, but not restricted to: Deployment of KPI's; Policy messages – local and national; Local intranet links; System broadcast messages; Links to other systems; Web conferencing. Whilst accepting that effective/efficient support offerings must be based on a generic Solution, the ESR System must allow elements of local flexibility in terms of colour scheme, branding, etc.	E	Major 1

ID	General Requirements	Priority	Delivery Milestone
GR8	Solution 'Workflow' must be deliverable by e-mail (even where the Workflow contains personal information. This will apply to all Workflow but examples include: • Employee request for annual leave; • Notification of new starters and Leavers; • Notification of expiries (fixed term contracts, professional registrations, competencies). The ESR User should also be able to interact with and respond to the Workflow e-mail (if applicable) without having to login to the ESR System to undertake any actions. Wherever possible, the ESR System should also look to maximise other communication methods (e.g. RSS Feed, SMS messages).	E	Order 2

ID	General Requirements	Priority	Delivery Milestone
GR1	The ESR System must allow for differences in legislative and policy decisions made by the governing bodies in England and Wales whilst retaining the integrity of one Solution for the User Organisations. Examples include: • Different pay systems and Terms/conditions from the separate Governments; • Distinct requirements for value sets due to policy differences (for example equality and diversity requirements). For the avoidance of doubt there is no requirement within GR1 for the main User Interface being provided to be multi-lingual, the solution screens only need to be provided in English. However, functionality that is currently provided in Welsh (such as payslips) are not impacted by this statement, i.e. they remain as currently defined and in accordance with the Welsh Language Act and these will need to be provided in English and Welsh (as appropriate).	I	Wales 1

ID	General Requirements	Priority	Delivery Milestone
GR3	Greater data validation – e.g. Invalid characters in names. This needs to be considered in conjunction with all Interfaces to ensure that the data validation and structures are consistent and configured in such a way as to reduce data errors across all systems and interfaces. This must also include post code validation against all address types in the ESR System (currently only available in core forms). The ESR System must support increased validation across all input types and consistency across other NHS Solutions (e.g. NHS Jobs, CFH) to reduce the number of validation and integration errors: • Consideration for further mandating of items and validation messaging; • Full person extracts for assessment of data quality and validation.	I	
GR10	The ESR System must have a consistent search function across all areas of functionality. Currently there are different approaches to searching in the different functional areas (HR, OLM, SSHR) which can be confusing and frustrating to an end user.	I	
GR5	The ESR System must enable data items to be 'mass updateable' at a local and national level (NHS System Administration) – for example items such as job role. Note: mass updates must not undermine the integrity of the ESR System or policy. For example, mass updates from third party learning solutions.	A	
GR11	The ESR System must also facilitate a simple search and display of a full leaver record without the need to 'date track' to the period of employment.	A	

ID	General Requirements	Priority	Delivery Milestone
GR13	The user community must have secure access to a full functional copy of production for local testing – the data must be obfuscated.	A	Order 4
GR16	The ESR System must have comprehensive on-line help functions – specific to User Organisation business processes and best practice. The help available must be relative to where the user is within the ESR System (i.e. help on a Self Service learning enrolment if in that form/process).	A	
GR9	Any record that has a date effective element must be fully 'date trackable' to ensure that full history and auditability are maintained. Individual data items must create an audit record in any visible and reportable history and be able to support multiple changes to the same data item/form within any period.	A	

5.9.2   Security, Access and Infrastructure

ID	Security, Access and Infrastructure	Priority	Delivery Milestone
SA3	The ESR System must ensure that all record creation, changes or deletions are captured at field level by date and time (for both corrections and updates). Should include multiple changes to same field/form on same date. Access to forms – even when only viewed – must by fully auditable.	E	Major 4
SA5	The ESR System must allow a user to access to numerous organisations (within a Shared Service context) through a single account. This level of security must allow them to operate within the broader shared service context setting in the same way as a user in a single employer would. The existing requirement for organisational/Payroll level security must be	E	

ID	Security, Access and Infrastructure	Priority	Delivery Milestone
	able to support any segregation required.		
SA6	The ESR System must have the ability for ESR Users to access Self Service and e-Learning (as a minimum) from a secure internet connection without the need for a separate login/password and instance and also support the different vehicles for access (user name and password/smartcard). The ESR System must also support access through mobile technologies (e.g. iPhone/iPad).	E	Major 2
SA7	The ESR System must have the ability for off-line interaction with specific functions. This should allow users to complete specific activity without the need to retain a login to ESR System and allow the results/outcomes back into ESR System on their next login. Examples include: • Appraisal forms; • Playing e-Learning content; • Expenses claims (see also Pay3).	E	Major 2
SA10	A full purging/archiving solution must be proposed to meet the retentions of records requirements of the User Organisation. This should extend to all database items and not just employee records (e.g. learning management catalogue).	E	Major 3
SA2	The ESR System should be able to reflect the concept of both an employment and person based approach. For example, currently an User Organisation Employee who works for more than one employer will exist multiple times on the ESR System's database – once per employment. This means that records in these different employments are at best subject to multiple data entries and at worst not consistently updated in each employment. In NHS terms an Employee only has one learning record or competence profile.	I	

ID	Security, Access and Infrastructure	Priority	Delivery Milestone
	However, for the employment based model on ESR System the person will have one (potentially different) for each employment. These records are only reconciled if IAT is used to source each dataset as the employee moves around the service. Consideration must be given to a single person record with multiple employments or a way of synchronising this core data across multiple employments within the User Organisation.		
SA8	The ESR System must have the ability for managers to authorise a different user (in or out of their hierarchy) to act on their behalf in SSHR (for example a PA acting on behalf of a director). Any changes made by the proxy must be fully auditable. Notifications will be received by both the manager and the proxy.	I	
SA1	The ESR System must ensure that a user cannot access and/or amend their record unless it is done through legitimate access as an Employee.	A	
SA9	Consideration with Supplier for the best access model. This is currently responsibility based.	A	

5.9.3   Core HR

ID	Core HR	Priority	Delivery Milestone
HR7	The ESR System must be able to store as part of the HR record, an ESR User's photograph (currently the ESR System only links to a photograph located on the IIM solution). The recording of the photograph must support and link to the identity management and pre-employment checks within the ESR System.	I	
HR2	The management of organisation structures must be flexible and offer increased usability. This would include for example: • Full 'drag and drop' of organisation units and positions;	A	Order 3

ID	Core HR	Priority	Delivery Milestone
	• Improved budgetary information including links to finance systems for establishment control; • Updates and corrections available across all data items – for example job role which is currently 'frozen' when the position is committed.		
HR4	The ESR System must support full Workforce development planning functionality – identification of skills gaps, linked to training needs analysis and performance management. This may also include modelling of Workforce changes (such as age profiles) on Workforce skillsets.	A	Order 3
HR1	The ESR System must allow Employees to be rehired, from the same source record, within the same pay period.	I/O	
HR6	Absence recording at assignment level for all absence types including the ability to record across all assignments in a single entry. It must also be possible to insert absence of the same type if they need to be entered or corrected out of sequence.	A	
HR8	The ESR System must support organisation structure charting (within the ESR System). This must support any structures and multiple hierarchies (for example organisational, positional, supervisor).	A	
HR9	The ESR System must support medical revalidation processes – which will also include contributors to the process who may reside outside the core ESR footprint	A	

5.9.4 Core Payroll and Pensions

ID	Core Payroll and Pensions	Priority	Delivery Milestone
PAY1 PAY1.1 PAY1.2 PAY1.3 PAY1.4 PAY1.5 PAY1.6 PAY1.7 PAY1.8	The ESR System must provide for the detailed checking of Payroll outputs as follows: • Ability to analyse Payroll/financial data on a period by period basis. This should allow users to identify potential anomalies and trends and be able to drill further into the details to assess individual items of pay and specific Employees; • Facility to index pay points/ locations/organisations across VPD's against pay clerk so reports can be filtered according to work area; • Ability to flag an exception so it will not appear next period; • Provide an audit of who has signed off an exception; • On-line display of ESR payslip (the exact paper version) including simple movement through periods and cumulative information. The ESR System must also allow the export of the on-line payslips to agreed formats (e.g. pdf, csv format). • View of elements paid over a period to ESR User or ESR Users; • Highlight differences between pre and post increment reports; • Potential for monthly and Year End reconciliation.	E	Order 2
PAY7	The ESR System must be able to support employing authorities in the delivery of flexible benefits packages. The functionality must also support access by ESR Users so they can interact with their flexible benefits package.	E	Order 3
PAY3	Employee expenses – ability for an Employee to create travel and subsistence claims within ESSHR. Must include internet based access and 'off-line' recording. Should also include post code recognition for details of journey lengths. The ESR System must allow for Workflow approval of budget holder (not necessarily the same as supervisor) and Payroll.	A	Order 4

ID	Core Payroll and Pensions	Priority	Delivery Milestone
	The Expenses solution must be interfaced to the DVLA.		
PAY4	The ESR System must be able model impact of Workforce and pay changes. For example, it should be possible to model the effects of a salary sacrifice on an individual to show potential savings for NI and tax. This modelling facility should also be available for the organisation to model the effects of such schemes on a trust wide basis for those Employees who have elected to salary Sacrifice. Modelling may also include examples such as: • Proposed changes in national rates of pay – both pay scales and elements to provide overall costs (or savings); • Ability to model if a new element was created and assigned to specific staff groups; • Impact of local/national schemes (e.g. salary sacrifice); • Ability to model specific ad-hoc scenarios – for example savings as a result of a User Organisation wide increment freeze for 12 months.	A	
PAY6	The ESR System must provide comprehensive vehicle management recording and reporting capability.	A	Order 4
PAY2	The ESR System must have the ability to pay leavers who terminate early in following month (up to and including the 5th) in current pay period in line with HRMC guidelines. So for example, Employee terminating on 5th March can be paid up to termination in February Payroll.	E/O	
PAY5	The ESR System must support automatic NI changes for new starters and for any amendments to NI.	E/O	

5.9.5 Career Management and Learning

ID	Career Management and Learning	Priority	Delivery Milestone
LM3	The ESR System must allow 'external learners' to access and play on-line content and have a learning record in the same way as an Employee.	E	Order 1
LM5	The ESR System must support the deployment of e-Learning content (from within the solution catalogue) to mobile technologies and through applications associated with the platforms (e.g. Apple, Android). Any e-Learning undertaken on these platforms must allow for full integration back into the ESR System.	E	
LM1	The ESR System must allow for flexibility in defining competency requirements. For example, it should be possible to define at User organisation level but then override for specific positions, Employees, etc. The ESR System should also allow competency requirements to be defined for supplementary roles in order that an Employee in one of these roles can be assessed against their full competence requirements without the need for a separate position based on that role. The ESR System must also allow competency information to be 'bulk' updated. For example: • Competence assigned to multiple selections of organisation or positions; • Competence to be assigned to multiple Employees in one process; • Expiry dates for a specific competence to be updateable across multiple Employees.	A	
LM2	The ESR System must support automatic enrolment against specific classes based on specific person/job related attributes. For example, it should be possible to automate the enrolment of an accepted applicant and/or new starter to a locally defined course(s) to facilitate an induction programme.	A	

5.9.6 Self Service

ID	SELF SERVICE	Priority	Delivery Milestone
SS1	The ESR System must support Self Service access that allows flexibility around managers who job share – i.e. Multiple supervisors per assignment.	E	
SS2	The ESR System must support an on-line payslip and P60 for Core Users and Employee Self Service users that exactly replicates that paper payslip received by Employees. This should be available for output to pdf if the ESR User wants a paper copy and also be available through internet access. An ESR User must be able to select whether they want paper or on-line or both payslips.	E	
SS3	Any comments entered into the Self Service application to support requests for change (for example) must also be transferred and recorded in the core solution for reference and audit purposes.	E	

5.9.7 Local/Management Reporting

ID	Local/Management Reporting	Priority	Delivery Milestone
REP2	The Business Intelligence reporting solution must include: • Ability to deploy agreed business KPI and threshold reporting to senior managers' desktops through the means of a 'portal'. These should also be accessible from mobile devices; o Ability to trigger alerts to a user desktop for key events – definable locally; • Ability to benchmark at regional/national	E	

ID	Local/Management Reporting	Priority	Delivery Milestone
	level; • The ESR System should also be configured to allow the Authority Central Team SQL access on production data in order to respond to validated requests from the Authority, etc.; • The single reporting solution must support macro level users (e.g. Authority, NHSIC, etc.); • Integration with non-ESR Data (financial, patient) to become the central repository for reporting.		
REP3	The ESR System should support large scale data extracts through (for example) FTP.	I	

5.9.8 Finance

ID	Finance	Priority	Delivery Milestone
FIN1	The ESR System must have the capability for mid-period account code changes as opposed to costing to the account code active at the end of the month. This reduces the requirement on the ESR Users for journal entries.	I	
FIN3	The ESR System must ensure that all segments of the account code are capable of being specified at the position level.	I	
FIN4	The ESR System must ensure that any organisation/position level coding updates the assignment unless there is an assignment level override in place.	I	
FIN6	The ESR System must ensure that salary deductions pick up original data rather than posting all deductions to miscellaneous arrears to be unpicked at a later date.	I	
FIN2	The ESR System must allow for greater integration with GL solutions – transfer of budgeted establishment between solutions.	A	

ID	Finance	Priority	Delivery
FIN5	The ESR System must be capable of 'allotting' costings – this is undertaken on the NHS Hub.	A	
FIN7	The ESR System must ensure that the calculation of any retrospective Payments should automatically calculate the NI implications; at present this is a manual process.	I	

ANNEX 1

DEFINITIONS

In this Schedule, definitions used in Schedule 1 (Definitions) shall also apply unless the context requires otherwise, and in addition the following words and phrases have the meanings set out below.

Term	Definition
Business Intelligence Reporting Solution	a technology deployed and configured to allow data to be turned into information for the benefit of ESR Users
Enhance Bucket	a collection of Enhancements delivered together in one Release regardless of whether they share the same functionality
Enhance Releases	the release for a new Enhancement;
ESR Baseline Requirements	the Controlled Document 'NHS0118 – Baseline Requirements for the ESR Workforce Solution' which as the Effective Date is as attached in Annex 3 and will be updated prior to OSCD;
ESR Interface Inventory	the Controlled Document 'NHS0173 NHS ESR Interface Inventory' which as the Effective Date is as attached in Annex 4;
ESR Interface	any of the interface listed in the ESR Interface Inventory;
ESR New Requirements	the requirements for the ESR System to be delivered as part of Component 3 - Enhance as more particularly set out in Paragraph 5.9;
ESR User Interface	the interfaces described in Work Packages 1&2;
Generic Rate Retrieval (GRR)	the functionality included in the ESR System for payment of staff
Interface	a shared boundary across which the ESR System and the User Organisation's or other Third party computer system exchange information
Local Pay Elements Services	the design and development of local pay elements for each specific User Organisation;
National Special Interest Group	a number of national user forums (based on ESR functional areas) that fall within the governance of the NHS CT. The forums primary purpose is to consider the development of the ESR solution ensuring that it continues to support, as the national workforce solution, overall policy and strategic agendas. Each forum will constitute a single nominated representative from each LETB community and Wales. Representatives from the central team will also be in attendance. The forum will be chaired by a nominated user.
National User Group	national user forum that falls within the governance of the NHS CT. The forums primary purpose is to consider the national strategy and direction for ESR within the context of how the national workforce solution should support overall policy and strategic agendas. Currently, the forum will constitute nominated representatives from each LETB

Term	Definition
	community, Wales, the NSIG Chairs and senior representatives from the central team. The forum will be chaired by a nominated user.
NHS System Administration	the local User Organisations' System Administrator for the ESR System;
NHS Systems Integration Team	the Authority Central Team's Interface team;
NINO Verification Reply Process	the National Insurance Number Verification Request used by an employer to verify or obtain a NI number for existing or new Employees. HMRC will use the information included in the NINO verification request to provide the employer with the correct NINO to use for your employee
NSIG Chairs	a key national forum, that falls within the governance of the NHS CT, that will bridge the relationship between the NUG and NSIGs including a role in the prioritisation of user led development requests. The forum will include the Chair of each NSIG and NHS CT senior representatives and will be chaired by the NUG Chair.
Open Service Requests	Service Requests that are "not closed" at the point of Operational Service Commencement Date;
Oracle Business Intelligence ("OBIA")	the Oracle Business Intelligence products as defined in Schedule 5.2;
Oracle Release	an updates provided by Oracle on the products being used by the ESR System;
Real Time Information (RTI)	Interface with HMRC
Regional User/Special Interest Group	Local forums that may take the form if a single forum or may be several forums representing the functional areas of ESR. User communities may decide to have a combination of the two. These forums will be managed and administered by local users – the NHSCT may be invited to present and/or contribute to the sessions. The local forums are expected to nominate their representatives for the national forums.
Senior User	as defined in Prince 2 methodology
Security Incident	a suspected or potential breach of security requiring urgent investigation
Service Call	a request placed with the Suppliers Service Desk for assistance
Service Support Centre	the location from which the Supplier provides service support
Sponsoring Bank	the bank which will be used by User Organisations for the payment of its staff
Swing Kit	the temporary infrastructure that may be required as part of Transition;
System Administrator	means the User Organisations' administrators as nominated in accordance with Paragraph 4.2.1;
Take-On Plan	the Transition Plan
Workforce Information Provision	the functionality enabled by the Data warehouse reporting solution

Term	Definition
Year End	the tax year end of 5th April each year in accordance with HMRC
Acronym Glossary	
Acronym	**Definition**
BACS	Bankers Automated Clearing Services
BAU	Business as Usual
BI	Business Intelligence
CBT	Computer Based Training
CCN	Change Control Notice
CFH	Connecting for Health
COPP	Cabinet Office Performance Platform
CRS	Care Record Service
ESSHR	Employee Self Service Human Resource
ETL	Extract Transform and Load as defined in Schedule 2.2 (Performance Levels)
EUEL	Estimated Useful Economic Life
EUL	End User Layer
FTP	File Transfer Protocol
GRR	Generic Rate Retrieval
GL solution	General Ledger solution
HCM	Human Capital Management
IAT	Inter User Organisation Transfer
IIM	Integrated Identity Management
NHSPA	NHS Pension Agency
NIC	National Insurance Contributions
OLM	Oracle Learning Management
ESR User SD	NHS Pension Scheme reference number; this is often known as your 'SD' number and begins with SD followed by two digits representing your year of birth (i.e. 1957 is 57) then six further digits.
Oracle RUP	Oracle Rolled Up Patches
SQL	Structured Query Language
SSHR	Self Service Human Resources
SSP	Statutory Sickness Pay
T&A	Time and Attendance systems
TRS	Total Rewards Statements
URP	User Responsibility Profile
VPD	Virtual Private Database
WFTC	Working Families Tax Credit

ANNEX 2 ENHANCE TRANCHE 1

Tranche 1 is those 15 requirements in section 5.9 Enhance Requirements that have been allocated a Delivery Milestone and therefore have committed to the commencement and cutover dates.

They are repeated below.

TRANCHE 1 - Requirements

ID	Priority	Delivery Milestone
GR - 2	E	Major 1
SA - 6	E	Major 2
SA - 7	E	Major 2
SA - 10	E	Major 3
SA - 3	E	Major 4
LM - 3	E	Order 1
GR - 8	E	Order 2
PAY - 1 (1.1-1.8)	E	Order 2
HR - 2	A	Order 3
HR – 4	A	Order 3
PAY - 7	E	Order 3
GR - 13	A	Order 4
PAY - 3	A	Order 4
PAY - 6	A	Order 4
GR - 1	I	Wales 1

Milestones Key
Major 1-4 - Significant projects that may need additional Milestone gates due to complexity and timescale
Order 1-4, relative order of priority during the phasing of the requirements

ANNEX 3 ESR BASELINE REQUIREMENTS

The ESR Baseline Requirements is inserted in CD 2.

ANNEX 4 ESR INTERFACE INVENTORY